

FOIA COPY

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TITLE

1 of 4  
Northeast  
Metal Co  
#2  
3 drawers  
down  
2d file

TITLE

200610

~~200040~~

Northwestern Metal Company

1 of 4  
Northwestern  
Metal Co  
#2  
3d drawer  
down  
2d file

TITLE MEMORANDUM

PROPERTY

DESCRIPTION: Patented Claims

| <u>CLAIM NAME</u>    | <u>MIN.<br/>SURVEY</u> | <u>PATENT</u> | <u>B.H.M.</u><br><u>TSHP.</u> | <u>RANGE</u> | <u>SECT.</u>   | <u>GROSS<br/>ACRES</u> |
|----------------------|------------------------|---------------|-------------------------------|--------------|----------------|------------------------|
| Adrian Fraction      | 1134                   | 32166         | 4N                            | 4E           | 5:SW4          | 0.095                  |
| Alert                | 1134                   | 32166         | 4N                            | 4E           | 5:SW4          | 9.327                  |
| Alert Fraction       | 1134                   | 32166         | 4N                            | 4E           | 5:SW4<br>6:SE4 | 9.119                  |
| Alert Fraction No. 1 | 1134                   | 32166         | 4N                            | 4E           | 5:SW4<br>6:SE4 | 8.384                  |
| Argo Fraction        | 1134                   | 32166         | 4N                            | 4E           | 6:SE4          | 2.844                  |
| Comet                | 1134                   | 32166         | 4N                            | 4E           | 5:SW4          | 9.848                  |
| Erwin Fraction       | 1134                   | 32166         | 4N                            | 4E           | 5:SW4          | 0.245                  |
| Eureka               | 1134                   | 32166         | 4N                            | 4E           | 5:SW4<br>6:SE4 | 9.569                  |
| Hoodo                | 1134                   | 32166         | 4N                            | 4E           | 5:SW4          | 2.888                  |
| Lucky Fraction       | 1134                   | 32166         | 4N                            | 4E           | 6:SE4          | 0.360                  |
| Maverick             | 1134                   | 32166         | 4N                            | 4E           | 6:SE4          | 8.627                  |
| May                  | 1134                   | 32166         | 4N                            | 4E           | 5:SW4          | 9.752                  |
| May Fraction         | 1134                   | 32166         | 4N                            | 4E           | 5:SW4          | 2.584                  |
| Nevada               | 1134                   | 32166         | 4N                            | 4E           | 5:SW4          | 7.644                  |
| Pyrite               | 1134                   | 32166         | 4N                            | 4E           | 6:SE4          | 6.383                  |
| Pyrite Fraction      | 1134                   | 32166         | 4N                            | 4E           | 6:SE4          | 3.935                  |
| South Ruby           | 1134                   | 32166         | 4N                            | 4E           | 5:SW4          | 9.323                  |
| Summit               | 1134                   | 32166         | 4N                            | 4E           | 5:SW4          | 9.102                  |
| Union Fraction       | 1134                   | 32166         | 4N                            | 4E           | 5:SW4          | 0.257                  |
| Union Hill           | 1134                   | 32166         | 4N                            | 4E           | 5:SW4          | 9.013                  |

MINERAL

OWNER:

Northwestern Metal Company  
(100%)  
Box 81826  
Lincoln, Nebraska 68501

SURFACE

OWNER:

Northwestern Metal Company  
(100%)

TITLE

- ACQUIRED BY: 1) Quit Claim Deed dated October 30, 1964, recorded at Book 372, page 200, from Northwestern Metal Company, Inc. to Northwestern Metal Company.
- 2) Judgment, Northwestern Iron and Metal Company vs. John J. Schlawig et al., dated August 16, 1939, recorded at Book 276, page 54; quiets title to M.S. 1134.

- MINING LEASES: 1) Lease and Option to Purchase dated September 1, 1976, recorded at 83-4097.  
Lessor: Northwestern Metal Company  
Lessee: Congdon and Carey, Ltd. 5  
Term: 15 years and so long thereafter  
Royalty: 8% NSR (1st \$1mm), 6% (2nd \$1mm), 4% (3rd \$1mm),  
2% (in excess of \$3mm)  
Purchase Price: \$1,250,000  
Amended: June 30, 1983, at 83-5163; adds 4 small fractions originally omitted from lease. (Cyprus, CoCa, Northwestern)  
Assignments: 1) 80% interest, Congdon & Carey to Cyprus, dated 9/27/76, recorded 83-2448.  
2) 20% interest, Congdon & Carey to CoCa Mines Inc., dated 12/31/82, recorded 83-2386.  
3) 100% interest, Cyprus/CoCa to Lacana Mining, Inc., dated June 1, 1983, at 83-5768. (Prior to date of Amendment)  
4) 100% interest, Lacana to Gilt Edge Inc., dated 1/11/85, at 85-649.
- 2) Lease dated April 1, 1974; not recorded.  
Lessor: Northwestern Metal Company  
Lessee: Jackie Hieb  
Term: 5 years with option to renew for additional 5 years (expires 4/1/84)  
Default: Notice of Termination and Default was sent 8/12/76 - No termination of record.
- 3) Lease and Option to Purchase, dated March 13, 1968, recorded at Book 384, page 259.  
Lessor: Northwestern Metal Company  
Lessee: Congdon & Carey Limited 3  
Termination: None of record.
- 4) Lease dated January 1, 1974, recorded at Book 415, page 355.  
Lessor: Ray Coppo and Ethel V. Coppo  
Lessee: Joe M. Kosel and Amanda Kosel dba National Enterprises, Inc.  
Assignments: 5/28/74; at Book 418/ 39;  
6/22/74; at Book 415/621;  
9/26/74; at Book 418/215;  
10/29/74, at Book 418/217.  
Note: 1) Coppo claimed title through a quit claim deed from the Estate of William C. Bessler, dated 2/28/56, at Book 332/79. This deed is a stranger to the title chain.  
2) Coppo optioned M.S. 1134 to Yuba Consolidated Industries, Inc. on 5/4/59, at Book 332/79-81. There is no release of record.  
3) Lease at Book 415/355 was never released of record. Coppo died intestate 12/2/82; M.S. 1134 was not listed as an asset.

TITLE

CONCERNS:

- 1) Liens and Encumbrances: a) Unreleased mining leases referred to above.
- 2) Taxes: Current (4/24/87)
- 3) Northwestern and Gilt Edge/Brohm should ratify Lease/Option agreement. Lacana (Gilt Edge's predecessor in title) did not execute Amendment dated 6/20/83 although the agreement was assigned to Lacana 6/1/83.

- 4) Title curative: Record notices of nonperformance and termination for all prior leases or obtain releases from Lessee/Optionees.
- 5) Assignment dated 12/31/86, from Cyprus Mines Corporation and CoCa Mines Inc. to Gilt Edge Inc. is not recorded.
- 6) There is no recorded assignment to or notice of stock acquisition by Brohm Resources, Inc. of the Northwestern agreement.

CAVEAT: This is not a title report. No representation of title is being made.

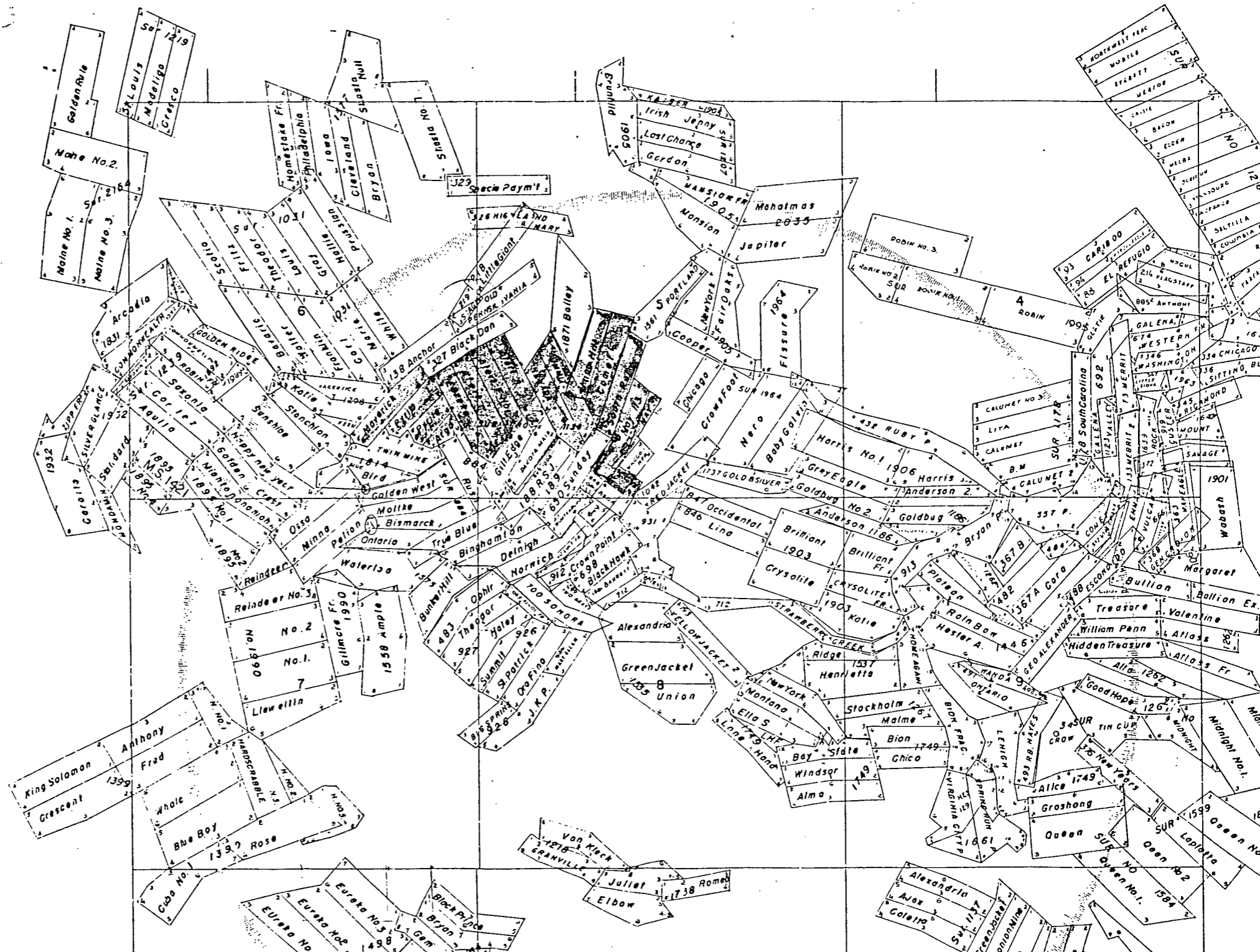
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Michael J. Neumann

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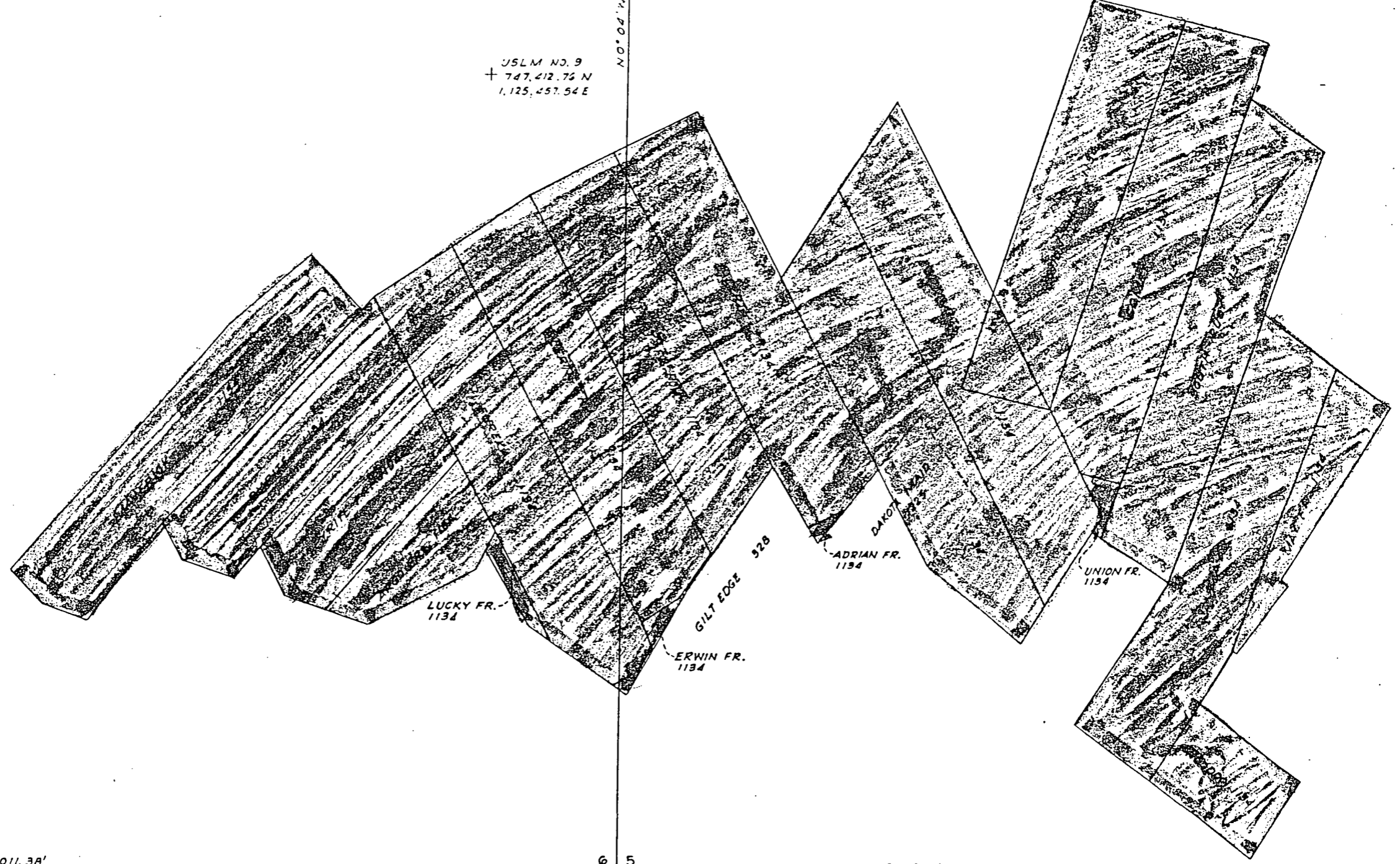
Joe M. Goldenstern

Prepared: 5/23/87  
Records Examined: 4/24/87



USLM NO. 9  
+ 747,412.76 N  
1,125,457.54 E

N 0° 04' 12" W



5011.38'

6 5  
7 8

S 89° 58' W

2641.32'

CHAIN OF TITLE

Lucky, Erwin, Adrian and Union Fractions  
M. S. 1134, Patent No. 32166  
Gilt Edge, Lawrence County, South Dakota

13-4

01/01/1897      Location Certificate: Union Fraction  
Locator: H. Clinton Grable  
Recorded: 01/26/1897, Bk. 120, page 147

11/12/1897      Location Certificate: Adrian Fraction  
Locator: Edgemont & Union Hill Smelting Co.  
Recorded: 11/13/1897, Bk. 133, page 126

11/12/1897      Location Certificate: Erwin Fraction  
Locator: Edgemont & Union Hill Smelting Co.  
Recorded: 11/13/1897, Bk. 133, page 127

06/15/1898      Location Certificate: Lucky Fraction  
Locator: Edgemont & Union Hill Smelting Co.  
Recorded 09/12/1898, Bk. 137, page 463

07/10/1898      Deed, recorded 12/07/1898, Bk. 139, page 247  
Grantor: Edgemont & Union Hill Smelting Co.  
Grantee: John H. Graham & George A. Fletcher, Trustees  
(of Edgemont)  
Conveys: Adrian Fraction and other claims

11/21/1898      Mining Deed, recorded \_\_\_\_\_, Bk. 139, page 347  
Grantor: George A. Fletcher, Surviving Trustee  
Grantee: Galena Mining & Smelting Co.  
Conveys: Adrian Fraction, Erwin Fraction, Lucky Fraction,  
Union Fraction, and other claims

02/16/1900      Patent No. 32166, recorded 04/10/1900, Bk. 149 of Mis-  
cellaneous Deeds, pages 530-546  
Grantor: U.S.A.  
Grantee: Galena Mining & Smelting Co.  
Conveys: 20 Claims in M.S. 1134, including Lucky, Erwin,  
Adrian & Union Fractions

08/10/1903      Deed recorded 08/10/1903, Bk. 176, page 5  
Grantor: James D. Hardin  
Grantee: Branch Mint Mining & Milling Co.  
Conveys: Union, Lucky, Erwin & Adrian Fractions, and other  
property together with (Grantor's) interest which  
he may hereafter acquire under Option to Purchase  
dated 03/21/1903 with Percy S. Bickmore in which  
Bickmore agreed to sell Hardin "all of the properties  
..... heretofore owned by the Galena Mining and  
Smelting Co."

09/15/1903      Deed recorded 09/15/1903, Bk. 176, page 51  
 Grantor: Percy B. Bickmore, Receiver for Galena Mining & Smelting Co.  
 Grantee: Branch Mint Mining & Smelting Co.  
 Conveys: All of Galena's assets, including Union, Lucky, Erwin & Adrian Fractions

09/15/1903      Deed recorded 09/15/1903, Bk. 176, page 53  
 Grantor: Galena Mining & Smelting Co. (by Walter H. Graham, President)  
 Grantee: Branch Mint Mining & Smelting Co.  
 Conveys: Claims including Union, Lucky, Erwin, & Adrian Fractions

09/15/1903      Mortgage recorded 09/15/1903, Bk. 165, page 303  
 Mortgagor: Branch Mint Mining & Milling Co.  
 Mortgagee: Union Trust Co.  
 Pledges assets of Branch Mint, including Union, Lucky, Erwin & Adrian Fractions

07/09/1909      Sheriff's Certificate of Tax Sale, recorded \_\_\_\_\_  
 Conveys: Interest of Branch Mint Mining & Smelting Co. to Robert N. Ogden, Trustee

Assignment, recorded \_\_\_\_\_  
 Grantor: Robert N. Ogden, Trustee  
 Grantee: James D. Hardin  
 Conveys: Interest in Certificate of Tax Sale

09/04/1909      Notice of Redemption of Sheriff's Certificate of Tax Sale  
 Recorded: 09/04/1909, Bk. 202, page 80  
 Redeemed: By James D. Hardin

11/25/1911      Treasurer's Deed, recorded 12/10/1982, #82-5704  
 Grantor: Treasurer, Lawrence County  
 Grantee: Lawrence County  
 Conveys: (for unpaid taxes, 1903) "Maverick, Pyrite, Pyrite Fr., Argo Fr., Luck (sic) Fr., Albert (sic) Fr., Irwin (sic) Fr., Albert (sic) Fr. No. 1, Alert, Adrian, Nevada, Summit, Union Hill and Corner Lode, M.S. 1134."  
 (Note: This deed was "lost" in Treasurer's office until 1982.)

Assignment, recorded \_\_\_\_\_  
 Grantor: James D. Hardin  
 Grantee: Black Hills Trust & Savings Bank

01/08/1912 Sheriff's Deed, recorded 01/09/1912, Bk. 209, page 268  
 Grantor: Sheriff of Lawrence County  
 Grantee: Union Trust Co.  
 Conveys: Interest of Branch Mint Mining & Smelting Co.  
 in Union, Lucky, Erwin & Adrian Fractions, and  
 other property

03/06/1912 Quit Claim Deed, recorded 04/25/1912, Bk. 209, page 384  
 Grantor: Union Trust Co.  
 Grantee: John Stokes Adams  
 Conveys: (4 fractions) and other property

03/11/1912 Quit Claim Deed, recorded 04/25/1912, Bk. 209, page 394  
 Grantor: Merchants Union Trust Co.  
 Grantee: John Stokes Adams  
 Conveys: (4 fractions) and other property

03/15/1913 Receiver's Deed, recorded 03/06/1913, Bk. 217, pg. 42  
 Grantor: Branch Mint Mining Co.  
 Grantee: Walter E. Graham  
 Conveys: (4 fractions) and other property

03/24/1913 Mining Deed, recorded 03/31/1913, Bk. 217, page 69  
 Grantor: John Stokes Adams  
 Grantee: Walter E. Graham  
 Conveys: (4 fractions) and other property

04/09/1915 Quiet Title Decree, recorded 05/06/1915, Bk. 217, page 607  
 Plaintiff: James D. Hardin  
 Defendant: Walter E. Graham  
 The court decreed that the defendant is the owner in fee  
 simple and in possession and entitled to the possession of  
 all the real estate described in plaintiff's complaint.

08/30/1917 Deed, recorded 08/30/1917, Bk. 222, page 562  
 Grantor: James D. Hardin  
 Grantee: Charles W. McCutcheon  
 Conveys: (4 fractions) and other property

10/11/1918 Marshal's Certificate of Sale, recorded 10/29/1918,  
 Bk. 219, page 337  
 Grantor: Marshal  
 Grantee: Union Trust Co.  
 Conveys: Interest of Branch Mint Mining & Milling Co.  
 in (4 fractions) and other property.

10/10/1919 Marshall's Deed, recorded 10/17/1919, Bk. 219, page 368  
 Grantor: Marshal  
 Grantee: Union Trust Co.  
 Conveys: Interest of Branch Mint Mining & Milling Co. in  
 (4 fractions) and other property.

12/09/1918      Treasurer's Certificate of Sale, recorded 1  
 Grantor: Treasurer, Lawrence County  
 Grantee: Joseph G. Lester  
 Conveys: Mineral Survey No. 1134

10/13/1924      Treasurer's Deed, recorded 10/13/1924, Book 238, page 276  
 Grantor: Treasurer, Lawrence County  
 Grantee: Joseph G. Lester  
 Conveys: M.S. 1134 per tax certificate dated 12/9/1918

12/13/1929      Treasurer's Deed, recorded 12/13/1929, Bk. 251, page 8  
 Grantor: Treasurer, Lawrence County  
 Grantee: Fred Borsch  
 Conveys: "Maverick, Pyrite, et al, Mineral Survey Number 1134,  
 containing 119.20"

12/14/1929      Quit Claim Deed, recorded 03/04/1938, Bk. 261, page 580  
 Grantor: Fred Borsch  
 Grantee: Northwestern Iron & Metal Co.  
 Conveys: "All my right, title and interest to Maverick, Pyrite,  
 et al, Mineral Survey Number 1134, containing 119.20  
 acres"

03/08/1930      Quit Claim Deed, recorded 03/08/1930, Bk. 241, page 393  
 Grantor: Fred Borsch  
 Grantee: The Northwestern Iron & Metal Co.  
 Conveys: Mineral Survey Number 161, Mineral Survey Number 1134

05/08/1930      Sheriff's Certificate of Sale, recorded 05/08/1930, Bk. 244,  
 page 211  
 Grantor: Sheriff, Lawrence County  
 Grantee: Robert N. Ogden  
 Conveys: Interest of Union Trust Co. to Mineral Survey Number 1134

07/14/1938      Quit Claim Deed, recorded 05/01/1939, Bk. 273, page 236  
 Grantor: Maude D. Ogden  
 Grantee: D. Hill and Northwestern Iron & Metal Co.  
 Conveys: Mineral Survey Number 161, Mineral Survey Number 1134  
 (Note: D. Hill was President of Northwestern Iron & Metal Co.)

05/05/1939      Notice of Pendency of Action, recorded 05/06/1939, Bk. LP4,  
 page 365  
 Plaintiff: Northwestern Iron & Metal Co.  
 Defendant: Galena Mining & Smelting Co., Union Trust Co., et al.  
 Gives notice of commencement of quiet title action.

05/08/1939      Quit Claim Deed, recorded 05/11/1939, Bk. 273, page 242  
 Grantor: D. Hill  
 Grantee: Northwestern Iron & Metal Co.  
 Conveys: Mineral Survey Number 161, Mineral Survey Number 1134

08/16/1939      Treasurer's Amended Deed, recorded 08/16/1939, Bk. 276, pages 53-54  
 Grantor: Treasurer, Lawrence County  
 Grantee: Fred Borsch  
 Conveys: Maverick, Pyrite, et al, Mineral Survey Number 1134,  
 containing 119.20 acres.

08/16/1939 Judgment by Default, recorded 08/16/1939, Bk. 276, pages 54-57  
 Plaintiff: Northwestern Iron & Metal Co.  
 Defendants: Galena Smelting & Reduction Co., Union Trust Co.,  
 Edgemont and Union Hill Smelting Co., et al.  
 Conveys: To Plaintiff Mineral Survey Number 161, 15.02 acres,  
 and Mineral Survey Number 1134, 119.299 acres,  
 as described in patent recorded in Bk. 146,  
 pages 530-546.

02/28/1956 Mutual General Release, recorded 03/12/1956, Bk. 332, page 79  
 Grantor: Estate of William C. Bessler  
 Grantee: Ray Coppo, et ux.  
 Conveys: (by Quit Claim) Mineral Survey Number 1134, 119.299 acres

05/04/1959 Memorandum of Agreement and Option to Purchase, recorded  
 05/12/1959, Bk. 332, pages 79-81  
 Grantor: Ray Coppo, et ux.  
 Grantee: Yuba Consolidated Industries, Inc.  
 RE: Mineral Survey Number 1134

10/30/1964 Quit Claim Deed, recorded 2/18/1965  
 Grantor: Northwestern Metal Co., Inc.  
 Grantee: Northwestern Metal Company  
 Conveys: Mineral Survey Number 1134, 119.299 acres, as  
 described in Patent recorded in Bk. 146, pages 530-546  
 (and other property)

03/13/1968 Memorandum of Lease and Option to Purchase, recorded 05/09/1968,  
 Bk. 384, page 259  
 Grantor: Northwestern Metal Company  
 Grantee: Congdon & Carey Limited 3  
 RE: Mineral Survey Number 1134; individual claims listed  
 but not Union, Lucky, Adrian & Erwin Fractions

01/01/1974 Lease, recorded 07/02/1974, Bk. 415, page 355  
 Grantor: Ray Coppo, et ux  
 Grantee: Joe M. Kosel and Amanda Kosel dba National Enterprises, Inc.  
 RE: Mineral Survey Number 912

01/01/1974 Lease, recorded 07/02/1974, Bk. 415, page 363  
 Grantor: Ray Coppo, et ux  
 Grantee: National Enterprises, Inc.  
 RE: Mineral Survey Number 376, Silver Jack, Silver Jack #1

05/28/1974 Assignment, recorded 09/24/1974, Bk. 418, page 39  
 Grantor: National Enterprises, Inc.  
 Grantee: John M. Sailer  
 Conveys: A 5% interest of net mill run from:  
 a.) Millsite Triangle Parcel (Lot 346)  
 b.) Crown Point Lode (Mineral Survey 912)  
 c.) New Years Lode (as recorded in Bk. 343, page 456)  
 d.) Silver Jack, Silver Jack #1 (as recorded in Bk. 405, page 5)  
 e.) "a parcel known as Branch Mint, consisting of 119.99 acres, more or less, as recorded in Bk. 146, pages 530-546."

06/22/1974 Assignment, recorded 08/20/1974, Bk. 415, page 621  
 Grantor: National Enterprises Inc. (by Jakie Hieb, President)  
 Grantee: Phillip Eichorst  
 Conveys: A 6% interest of net mill run from (see Assignment dated 05/28/1974)

09/26/1974 Assignment, recorded 11/01/1974, Bk. 418, page 215  
 Grantor: John M. Sailer  
 Grantee: August Timpe and Irene Timpe  
 Conveys: A 1% interest of net mill run from (see Assignment dated 05/28/1974)

10/29/1974 Assignment, recorded 11/01/1974, Bk. 418, page 217  
 Grantor: John M. Sailer  
 Grantee: Raymond J. Berg and Mary Berg  
 Conveys: A 1% interest of net mill run from (see Assignment dated 05/28/1974)

11/25/1974 Assignment, recorded 12/02/1974, Bk. 418, page 358  
 Grantor: John M. Sailer  
 Grantee: Raymond J. Berg and Mary Berg  
 Conveys: A 1% interest of net mill run from (see Assignment dated 05/28/1974)

09/01/1976 Lease and Option to Purchase, recorded \_\_\_\_\_  
 Grantor: Northwestern Metal Company  
 Grantee: Congdon and Carey, Ltd. 5  
 RE: Mineral Survey Number 1134; individual claims listed but not lucky, Erwin Union and Adrian Fractions

## COMMENTS

1. No conveyance from H. Clinton Grable to Edgemont and Union Hill Smelting Co. or Galena Mining & Smelting Co. of unpatented Union Fraction Lode was found. Galena was the patentee at time of patent.
2. There are several spurious deeds referring to the "Union Link Fraction Lode, Mineral Survey Number 1134" in this chain of title (see 57/96, 219/96, 254/155, etc). The Union Link Fraction was located 11/23/1897, and recorded 11/24/1897, Bk. 133, page 199. The locator was Joseph King. It is described as joining the Dakota Maid Lode on the north. There is no record of this claim being patented, and is not the same claim as the Union Fraction, Mineral Survey Number 1134.
3. The chain of title becomes quite confused due to Treasurer's Deeds (for delinquent taxes) and also Marshall's Deeds (for mortgage foreclosures) involving Edgemont & Union Hill Smelting Co., Galena Mining and Smelting Co., and Branch Mint Mining and Smelting Co., This was apparently cured by the Treasurer's Deeds to Fred Borsch and the Quiet Title Decree of August 16, 1939.
4. A chain of title from William C. Bessler to Ray Coppo and thence to Yuba Consolidated Industries and National Enterprises, Inc. first appears on February 28, 1956, and ends on November 25, 1974. No evidence was found of William C. Bessler acquiring any interest in Mineral Survey Number 1134 back to January 1, 1939 (prior to the Quiet Title Decree of August 16, 1939). Bessler was not a Defendant in the Quiet Title Decree.
5. Ray Coppo died intestate 12/02/82, leaving an estimated \$164,888 estate to his widow and daughter. His assets as stated in the inventory included the following:
  - a.) his mill and equipment
  - b.) a leasehold interest in part of Mineral Survey 346 (Washington Lode) and Mineral Survey 161(Placer) per lease dated 4/23/1981 with Northwestern Metal Company
  - c.) joint ownership with Ethel Coppo of:
    - Mineral Survey 376 - New Years Lode
    - Mineral Survey 698 - Black Lode
    - Mineral Survey 912 - Crown Point Lode (undivided interest)All subject to Contract of Sale dated 9/17/1981. There is no mention in the probate file of any interest in Mineral Survey 1134
6. It appears that subject to the possible validity of interest of William C. Bessler and his successors, Northwestern Metal Company has valid title to all the claims included in Mineral Survey 1134 and Patent Number 32166, including the Lucky Fraction, Erwin Fraction, Adrian Fraction and Union Fraction Lodes.

James H. Bird, Jr.  
February 15-16, 1983

4-24-87

# TITLE UPDATE

June 1983 - Present

## II Northwestern Metal Company

### A. GRANTOR Index

No entries

### B. Grantee Index

Nothing

### C. Miscellaneous Index

Grantor - ~~82-4097~~ Lease/Purch w/ Cyprus  
~~82-5163~~ " " Amend.

Grantee - No Entries

### D. Lis Pendens No Entries

### E. Fed & St. Tax Lien - No Entries

### F. Mortgages - No Entries

### G. Mech. Lien - no

Argo Fraction  
Lucky Fraction  
Erwin Fraction  
Adrian Fraction  
Union Fraction

3.8 acres

MEMORANDUM OF LEASE AND OPTION TO PURCHASE

THIS MEMORANDUM, Made this 13th day of March, 1968, by and between  
- NORTHWESTERN METAL COMPANY, a Nebraska corporation, whose address is P. O. Box  
1826, North 27th Industrial Park, Lincoln, Nebraska, hereinafter referred to as  
"Northwestern", and CONGDON AND CAREY, LTD. NO. 3, a limited partnership under  
the provisions of the Colorado Revised Statutes, whose address is 520 Patterson  
Building, Denver, Colorado, hereinafter referred to as "Congdon",

W I T N E S S E T H:

That Northwestern is the owner of the full mineral interest in the fol-  
lowing described patented mining claims and any improvements thereon, and the lands  
covered thereby, situate in Sections 5, 6 and 8, Township 4 North, Range 4 East,  
Lawrence County, State of South Dakota, hereinafter referred to as the "premises",  
to-wit:

Mineral Survey No. 1134

|                      |                 |
|----------------------|-----------------|
| Alert                | May             |
| Alert Fraction       | May Fraction    |
| Alert Fraction No. 1 | Nevada          |
| Argo                 | Pyrite          |
| Comet                | Pyrite Fraction |
| Eureka               | S. Ruby         |
| Hoodoo               | Summit          |
| Maverick             | Union Hill      |

and that

Northwestern has granted, leased, demised and let, exclusively unto Congdon, the  
premises for the purposes and upon the terms and conditions set forth in that certain  
Lease and Option to Purchase, dated November 17, 1967, for the period of fifteen (15)  
years from the date thereof and so long thereafter as ores and minerals, or any of  
them, are produced in commercial quantities from the premises; and further, North-  
western, under the terms and conditions of said Lease and Option to Purchase, has  
granted and conveyed to Congdon the exclusive right and option to purchase all of  
its right, title and interest in and to the premises.

That said Lease and Option to Purchase, dated November 17, 1967, is by  
this reference incorporated herein and made a part hereof in all respects as though  
fully set forth herein.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of  
Lease and Option to Purchase to be executed the day and year first hereinabove  
written.

Attest:

Carlin E. Hill  
Secretary

NORTHWESTERN METAL COMPANY

By Gary Hill, President

CONGDON AND CAREY, LTD. NO. 3

Robert E. Carey  
General Partner

FOR 501 34250

STATE OF NEBRASKA )  
COUNTY OF LANCASTER )

On this the 2nd day of <sup>May</sup> March, 1968, before me, William D. Thompson,  
a Notary Public, personally appeared Gary Hill,  
who acknowledged himself to be the \_\_\_\_\_ President of NORTHWESTERN METAL COMPANY, a  
corporation, and that he, as such \_\_\_\_\_ President, being authorized so to do, executed  
the foregoing instrument for the purposes therein contained, by signing the name of  
the corporation by himself as \_\_\_\_\_ President.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

My Commission expires July 14, 1972.

William D. Thompson  
Notary Public

STATE OF COLORADO )  
CITY AND )  
COUNTY OF DENVER )

On this 20th day of March, 1968, before me, D. W. Fullman,  
a Notary Public, personally appeared THOMAS E. CONGDON, known to me to be the person  
whose name is subscribed to the within instrument and acknowledged that he executed  
the same for the purposes therein contained.

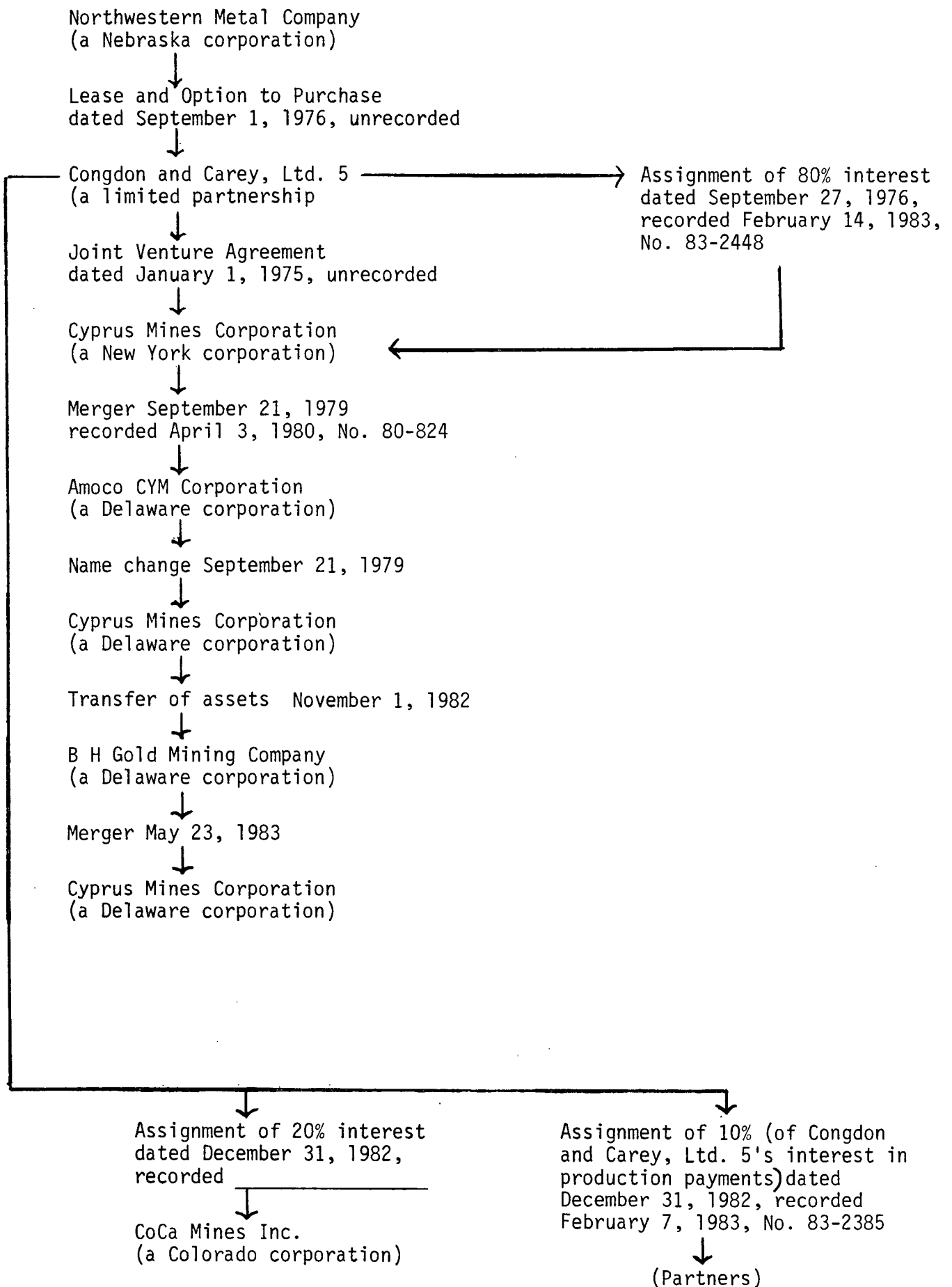
IN WITNESS WHEREOF I hereunto set my hand and official seal.

My Commission expires October 2, 1968.

D. W. Fullman  
Notary Public

237255  
Office of Registrar of Deeds  
State of South Dakota  
County of Lawrence  
Filed for record this 9 day of May 1968 at 8:30 o'clock  
and recorded in Book No. 384 Page 259  
Fee 70  
By Register  
301 260

CHAIN OF TITLE  
NORTHWESTERN METAL CO. LEASE  
GILT EDGE, SOUTH DAKOTA



83-2385

ASSIGNMENT

KNOW ALL MEN BY THESE PRESENTS:

THAT, CONNOR AND CAREY, LTD., a Colorado limited partnership hereinafter referred to as "Assignor"), for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration in hand paid, the receipt and sufficiency of which are hereby acknowledged, does hereby bargain, sell, assign, transfer, set over and convey unto the partners of Assignor in the proportions set forth on Exhibit A attached hereto (hereinafter collectively referred to as "Assignee"), as a non-interest bearing production payment (the "Production Payment"), 10% of Assignor's Net Revenue Interest, as defined herein, in all minerals, metals, ore concentrates and other products produced, saved and marketed from and under the terms of each lease or other property described in Exhibit B attached hereto (the "Leases"), and the lands described in such Leases (the "Properties"), until Assignee shall have received the aggregate of \$720,835.67 (the "Primary Sum").

The Production Payment herein assigned is subject to the following terms, provisions and conditions, to-wit:

1. When the Primary Sum has been received by Assignee, the Production Payment shall be fully discharged and all rights, titles and interests assigned to Assignee herein shall terminate, and Assignee shall, upon request, execute and deliver all necessary and proper acquittances, releases and reassignments; provided, however, that the Production Payment shall in any event terminate whenever 21 years less one day shall have elapsed after the death of the survivor of all descendants of Assignee who are living on the date hereof.

2. Assignee shall look solely to the minerals, metals, ore concentrates and other products produced, saved and marketed from the Leases and Properties and/or the sale, lease or other disposition of the Leases and Properties pursuant to paragraph 4 for the satisfaction and discharge of the Production Payment, and Assignor shall never be personally liable for the payment and discharge thereof.

3. No Production Payment shall be paid or accrue until Assignor shall have received from its Net Revenue Interest with respect to the Properties payments equal to all funds expended by Assignor on or in connection with the Leases and the Properties from and after January 1, 1983 together with interest thereon at the rate of 2 percent over the prime rate of IntraWest Bank of Denver in effect from time to time, and in the event that such recoupment shall occur but thereafter funds expended by Assignor on or in connection with the Leases and the Properties shall exceed such payments received by Assignor, no Production Payment shall again be paid or accrue until such recoupment is again achieved.

4. Net Revenue Interest shall mean Assignor's share of cash revenues from the Leases and the Properties in excess of all cash costs, expenses and expenditures allocated to such revenue share to the extent that such cash costs, expenses and expenditures are not included in funds subject to which are subject to recoupment in paragraph 3.

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hereof. In the event of any sale, lease or other disposition of the Leases and the Properties or of any portion thereof, the transferee thereof shall take free and clear of this Production Payment but Assignor's Net Revenue Interest shall include the consideration received for such sale, lease or other disposition and shall be applied to the satisfaction and discharge of the Production Payment as set forth herein and subject to paragraph 1 hereof.

5. The Production Payment shall be paid 30 days following the end of each calendar quarter upon the basis of the Net Revenue Interest for such quarter. On or before 90 days following the end of each of Assignor's fiscal years it shall furnish to Assignee a summary of financial results for such year upon which Assignor's Net Revenue Interest for such year is based certified as correct by the principal financial officer of Assignor and, if requested by Assignee, by Assignor's regular independent certified public accountants. Upon receipt of such summary, Assignee at its own expense may obtain an independent audit of Assignor's records which form the basis for such summary. If Assignee has not notified Assignor in writing of any objections on or before 180 days following the end of Assignor's fiscal year, the Production Payments for the fiscal year just ended shall be deemed correct and accepted by Assignee.

6. No obligations, either express or implied, shall arise by reason of this Assignment to Assignee which shall obligate Assignor to keep and maintain the Leases or any of them in force and effect either by the performance of any act or the payment of rentals, compensatory royalties or other payments.

The Production Payment shall be applicable to any renewal, extension or new lease taken or acquired by Assignor within a period of two years from the date of the termination of any of the Leases as to the lands, horizons and minerals covered by such terminated leases and affected by such new lease.

TO HAVE AND TO HOLD the Production Payment hereinabove assigned to Assignee for and during the term or terms and according to the terms and conditions of the Lease.

Assignee may sell, assign or otherwise dispose of all or any part of its interest hereunder, and the terms of this Assignment shall inure to the benefit of the successors and assigns of Assignee.

Notwithstanding anything to the contrary set forth herein, Assignor and Assignee acknowledge that Assignor will following the execution of this Assignment assign and transfer the Leases and the Properties to CoCa Mines Inc., a Colorado corporation, which shall thereafter be deemed to constitute the Assignor for all purposes hereunder and by its execution hereof shall assume and carry out all of the obligations of Assignor hereunder. Except as set forth in paragraph 4 above, this Assignment and its terms and provisions shall be binding upon the parties hereto, their respective successors and assigns forever.

EXECUTED as of the 31st day of December, 1982.

--CONGDON AND CAREY, LTD. S

By [Signature]  
General Partner

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signe

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The obligations of Assignor under this Assignment are hereby assumed and shall be carried out by the undersigned.

EXECUTED as of the 31st day of December, 1982.

COCA MINES INC.

By W. J. W. W. President

ATTEST:

Secretary  
Secretary

STATE OF COLORADO

COUNTY OF DENVER

ss.

On this the 31 day of January, 1983, before me, Notary Public, the undersigned officer, personally appeared W. J. W. W. who acknowledged himself to be a General Partner of Congdon and Carey, Ltd. 5, a Colorado limited partnership, and that he, as such General Partner, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the partnership by himself as General Partner.

In witness whereof, I hereunto set my hand and official seal.

My commission expires: April 1, 1984

Notary Public  
Address: \_\_\_\_\_  
City: \_\_\_\_\_



# EXHIBIT A

## CONGDON AND CAREY, LTD. 5 PRODUCTION PAYMENTS

### Gilt Edge

#### Limited Partners:

|   |              |
|---|--------------|
| George G. Anderman                                | \$ 85,710.03 |
| Fiduciary Trust Company of New York, Trustee      | 39,174.20    |
| Helmerich & Payne, Inc.                           | 107,138.12   |
| Nelson Bunker Hunt                                | 112,984.74   |
| Mrs. Janet W. Levy                                | 107,138.12   |
| John D. Macomber                                  | 36,632.09    |
| Daniel C. Searle                                  | 27,474.06    |
| Mrs. Mary C. Van Evers                            | 42,855.07    |
| Clint F. Murchison, III                           | 13,558.38    |
| Burk C. Murchison                                 | 6,779.18     |
| Burk Coleman Murchison Trust B                    | 6,779.20     |
| Coke Anne Saunders                                | 3,389.59     |
| Coke Anne Murchison Trust 2                       | 3,389.60     |
| Coke Anne Murchison Trust 3                       | 6,779.20     |
| Robert Frank Murchison Trust A                    | 6,779.18     |
| Robert Frank Murchison Trust B                    | 6,779.20     |
| John D. Murchison, Jr.                            | 9,158.43     |
| John D. Murchison, Jr. Trust B                    | 5,158.44     |
| Virginia Lucille Murchison Trust 2                | 5,357.03     |
| Virginia Lucille Murchison Trust 3                | 10,714.42    |
| Virginia Lucille Murchison Administrative Trust 3 | 5,357.03     |
| Mary Noel Lamont                                  | 4,579.21     |
| Mary Noel Murchison Trust 2                       | 4,579.22     |
| Mary Noel Murchison Trust 3                       | 9,158.44     |
| Barbara Jeanne Murchison Trust 1                  | 4,579.21     |
| Barbara Jeanne Murchison Trust 2                  | 4,579.22     |
| Barbara Jeanne Murchison Trust 3                  | 9,158.44     |
| Thomas E. Congdon*                                | 15,557.91    |
| William J. Carey*                                 | 15,557.91    |

\$720,835.67

- \* These sums represent contributions to the Partnership by the General Partners during its Secondary Term when certain Limited Partners declined to meet Calls for funds. The General Partners are entitled to participate in the Production Payments with respect to these contributions. The General Partners are not entitled to participate in the Production Payments with respect to the \$509,038.06 they provided the Partnership for these two projects in their capacity as General Partners.

I. Patented and unpatented acquired an 80% interest in 1, 1975 with Congdon and

A. Commonwealth of Massachusetts E. Congdon.

1. Patented

GI

Anchor  
Battleground  
Center for  
Little Gilt  
Montemore  
Gilt Edge  
Ophir  
Oro Fino  
Oro Della  
Haggoner I  
Sunday  
Two Bears  
Sandra  
Sandra  
Golden SL  
Fush  
Golden W  
Halla  
St. Patrick  
Summit  
Mary Ellen  
J.K.P.  
Big Spring  
Haley  
Thunder  
Ontario  
Singapore  
True Blue  
Delish  
Korvich

# EXHIBIT B

## GILT EDGE

T. 4N., R. 3E.: Sec. 1, 12  
T. 4N., R. 4E.: Sec. 5, 6, 7, 8  
Black Hills Meridian  
Bear Butte Mining District  
Lawrence County, South Dakota

1. Patented and unpatented mining claims in which Cyprus Mines Corporation has acquired an 80% interest by virtue of a Joint Venture Agreement dated January 1, 1975 with Congdon and Carey, Ltd. 5, and an Assignment dated April 18, 1975 from Congdon and Carey, Ltd. 5, to Cyprus Mines Corporation.

- A. Commonwealth Group: Lease and Option to Purchase dated October 16, 1974 by and between Commonwealth Mining Co. of South Dakota, lessor, and Thomas E. Congdon, lessee.

### 1. Patented Lode Claims

| CLAIM                | MIN. SURVEY | PATENT | GROSS ACREAGE |
|----------------------|-------------|--------|---------------|
| Anchor               | 138         | 3223   | 8.28          |
| Rattlesnake Jack     | 188         | 8422   | 9.98          |
| Center Fraction      | 189         | 6659   | 2.61          |
| Little Giant         | 218         | 7301   | 9.77          |
| Montenegro           | 311         | 14821  | 4.48          |
| Gilt Edge            | 328         | 8652   | 7.78          |
| Gphir                | 483         | 20050  | 9.99          |
| Oro Fino             | 646         | 26523  | 9.49          |
| Oro Bella (3/8 int.) | 648         | 22197  | 1.155 (3/8)   |
| Waggoner (3/8 int.)  | 649         | 22198  | 2.8125 (3/8)  |
| Sunday               | 650         | 21259  | 9.57          |
| Two Bears            | 699         | 21257  | 4.53          |
| Sonora               | 700         | 20996  | 7.72          |
| Bismarck             | 884         | 22661  |               |
| Golden Star Fr.      | 884         | 22661  |               |
| Rush                 | 884         | 22661  | 33.696        |
| Golden West          | 884         | 22661  |               |
| Moltke               | 884         | 22661  |               |
| St. Patrick          | 926         | 29732  | 8.181         |
| Summit               | 926         | 29732  | 5.173         |
| Mary Ellen           | 926         | 29732  | 4.962         |
| J.K.P.               | 926         | 29732  | 9.452         |
| Big Spring           | 926         | 29732  | 5.237         |
| Haley                | 927         | 24021  | 9.06          |
| Theodor              | 927         | 24021  | 8.89          |
| Ontario              | 975         | 28948  |               |
| Binghamton           | 975         | 28948  |               |
| True Blue            | 975         | 28948  | 43.035        |
| Delhigh              | 975         | 28948  |               |
| Horwich              | 975         | 28948  |               |

| <u>CLAIM</u>     | <u>MIN. SURVEY</u> | <u>PATENT</u> | <u>GROSS ACREAGE</u> |
|------------------|--------------------|---------------|----------------------|
| Bavaria          | 1031               | 26763         | 10.00                |
| Walter           | 1031               | 26763         | 10.00                |
| Franklin         | 1031               | 26763         | 10.00                |
| Carl             | 1031               | 26763         | 10.00                |
| Marie            | 1031               | 26763         | 6.57                 |
| White            | 1031               | 26763         | 8.57                 |
| Prussian         | 1031               | 26763         | 10.26                |
| Hattie           | 1031               | 26763         | 10.25                |
| Gray             | 1031               | 26763         | 10.26                |
| Louis            | 1031               | 26763         | 10.26                |
| Fritz            | 1031               | 26763         | 10.26                |
| Scotia           | 1031               | 26763         | 10.26                |
| Algol Fraction   | 1069               | 29566         | 2.626                |
| Dakota Maid      | 1225               | 32480         | 8.43                 |
| Dakota Maid Fr.  | 1225               | 32480         | 1.46                 |
| Mineral Twin #1  | 1235               | 30615         | 10.270               |
| Mineral Twin #2  | 1235               | 30615         | 10.214               |
| Rosa Belle       | 1235               | 30615         | 10.257               |
| Summit           | 1236               | 30615         | 6.806                |
| Summit #1        | 1236               | 30615         | 7.04                 |
| Horn Silver      | 1236               | 30615         | 9.929                |
| Saxonia          | 1239               | 31241         | 10.128               |
| Saxonia Fr.      | 1239               | 31241         | 2.259                |
| Cortez           | 1239               | 31241         | 10.074               |
| Aquila           | 1239               | 31241         | 10.071               |
| Happy New Year   | 1239               | 31241         | 10.061               |
| Golden Crest     | 1239               | 31241         | 10.051               |
| Miantonomoh      | 1239               | 31241         | 10.052               |
| 1895             | 1421               | 34697         | 10.648               |
| 1895 No. 1       | 1421               | 34697         | 10.072               |
| 1895 No. 2       | 1421               | 34697         | 13.162               |
| 1895 No. 4       | 1421               | 34697         | 5.925                |
| Ossa             | 1575               | 33124         | 10.193               |
| Minna            | 1575               | 38124         | 9.368                |
| Pellion          | 1575               | 38124         | 8.465                |
| Waterloo         | 1575               | 38124         | 17.798               |
| Bunker Hill      | 1575               | 38124         | 10.794               |
| Arcadia          | 1831               | 45147         | 19.502               |
| Commonwealth     | 1892               | 44279         | 9.709                |
| Commonwealth Fr. | 1892               | 44279         | 8.156                |
| Robin Fr.        | 1892               | 44279         | 5.691                |
| Mondamin         | 1932               | 45703         | 5.715                |
| Silver Gance     | 1932               | 45703         | 12.055               |
| Standard         | 1932               | 45703         | 14.595               |
| Ceroite          | 1932               | 45703         | 19.501               |
| Zipp Fraction    | 1932               | 45703         | 3.798                |

## 2. Patented Placer Claim

| CLAIM            | MIN. SURVEY | PATENT | GROSS ACREAGE |
|------------------|-------------|--------|---------------|
| Strawberry Creek | 712         | 23596  | 19.56         |

## 3. Unpatented Lode Claims

| CLAIM           | LOCATED    | RECORDED<br>BOOK PAGE | B.L.M. SERIAL NO. | GROSS ACREAGE |
|-----------------|------------|-----------------------|-------------------|---------------|
| *Reindeer No. 1 | 04/10/1901 | 155 599               | M MC 34116 (SD)   | 18.39         |
| (Amended)       | 06/15/1907 | 188 433               |                   |               |
| *Reindeer No. 2 | 04/10/1901 | 155 599               | M MC 34117 (SD)   | 18.39         |
| (Amended)       | 06/15/1907 | 188 434               |                   |               |
| *Reindeer No. 3 | 04/10/1901 | 155 600               | M MC 34118 (SD)   | 12.626        |
| *Reindeer Fr.   | 04/10/1901 | 155 600               | M MC 34119 (SD)   | 6.276         |
| (Amended)       | 06/15/1907 | 188 433               |                   |               |
| *Gilmore Fr.    | 12/01/1902 | 168 264               | M MC 34120 (SD)   | 15.075        |
| (Amended)       | 06/15/1907 | 188 434               |                   |               |
| *Llewellyn      | 06/15/1907 | 188 435               | M MC 34121 (SD)   | 13.074        |
| New York        | 11/26/1894 | 104 617               | M MC 34122 (SD)   | 20.66         |
| (Amended)       | 11/07/1899 | 144 494               |                   |               |
| Silver Crest    | 10/12/1916 | 215 296               | M MC 34123 (SD)   | 20.66         |
| (Amended)       | -          | 215 300               |                   |               |
| Gnome           | 12/09/1915 | 215 207               | M MC 34124 (SD)   | 14.92         |
| Zelda No. 1     | 09/25/1954 | 326 329               | M MC 34125 (SD)   | 20.66         |
| Zelda No. 2     | 09/25/1954 | 326 330               | M MC 34126 (SD)   | 20.66         |
| Zelda No. 3     | 10/21/1954 | 326 348               | M MC 34127 (SD)   | 20.66         |
| Zelda No. 4     | 10/21/1954 | 326 349               | M MC 34128 (SD)   | 20.66         |
| Mineral         | 09/16/1954 | 326 317               | M MC 34129 (SD)   | 19.9          |
| Magnesian Fr.   | 09/14/1961 | 358 46                | M MC 34130 (SD)   | 0.95          |
| Sunday Fr.      | 09/14/1961 | 358 44                | M MC 34131 (SD)   | 0.54          |
| Norwich Fr.     | 09/14/1961 | 358 45                | M MC 34132 (SD)   | 0.78          |
| Rattlesnake Fr. | 07/26/1961 | 352 566               | M MC 34133 (SD)   | 0.54          |

\*Mineral Survey No. 1990

- B. Northwestern Metal Group: Lease and Option to Purchase dated September 1, 1976 by and between Northwestern Metal Company, lessor, and Congdon and Carey, Ltd. 5, lessee (patented lode claims).

| CLAIM           | MIN. SURVEY | PATENT | GROSS ACREAGE |
|-----------------|-------------|--------|---------------|
| Alert           | 1134        | 32166  | 9.327         |
| Alert Fr.       | 1134        | 32166  | 9.119         |
| Alert Fr. No. 1 | 1134        | 32166  | 8.384         |
| Argo Fr.        | 1134        | 32166  | 2.044         |
| Comet           | 1134        | 32166  | 9.843         |
| Eureka          | 1134        | 32166  | 9.569         |
| Hoodo           | 1134        | 32166  | 2.888         |
| Maverick        | 1134        | 32166  | 8.627         |

| <u>CLAIM</u> | <u>MIN. SURVEY</u> | <u>PATENT</u> | <u>GROSS ACREAGE</u> |
|--------------|--------------------|---------------|----------------------|
| May          | 1134               | 32166         | 9.752                |
| May Fr.      | 1134               | 22166         | 2.584                |
| Navada       | 1134               | 32166         | 7.644                |
| Pyrite       | 1134               | 32166         | 6.383                |
| Pyrite Fr.   | 1134               | 32166         | 3.935                |
| South Ruby   | 1134               | 32166         | 9.323                |
| Summit       | 1134               | 32166         | 5.102                |
| Union Hill   | 1134               | 32166         | 9.013                |

- C. Kosel Group: Petitioner's Deed dated October 18, 1978 from Amanda Kosel, Petitioner of the Estate of Magdalena Waggoner, deceased, grantor, to Cyprus Mines Corporation and Congdon and Carey, Ltd. 5, grantee.

1. Patented Lode Claims

| <u>CLAIM</u>           | <u>MIN. SURVEY</u> | <u>PATENT</u> | <u>GROSS ACREAGE</u> |
|------------------------|--------------------|---------------|----------------------|
| Waggoner (5/8 int.)    | 649                | 22198         | 4.69 (5/8)           |
| Oro Bella (5/8 int.)   | 648                | 22197         | 1.92 (5/8)           |
| Crown Point (1/4 int.) | 912                | 31848         | 2.37 (1/4)           |

2. Patented Placer Claim

| <u>CLAIM</u> | <u>MIN. SURVEY</u> | <u>PATENT</u> | <u>GROSS ACREAGE</u> |
|--------------|--------------------|---------------|----------------------|
| Hoodon Gulch | 931                | 24135         | 12.56                |

- II. Patented and unpatented mining claims in which Cyprus Mines Corporation has 100% interest (20% of which is to be assigned to Congdon and Carey, Ltd. 5).

- A. Whitehouse Congress Group: Mining Lease dated August 7, 1982 by and between Whitehouse Congress, Inc., lessor, and Cyprus Mines Corporation, lessee (patented lode claim).

| <u>CLAIM</u>  | <u>MIN. SURVEY</u> | <u>PATENT</u> | <u>GROSS ACREAGE</u> |
|---------------|--------------------|---------------|----------------------|
| Highland Mary | 326                | 8654          | 7.75                 |

- B. Willis Aye Group: Mining Lease dated August 7, 1982 by and between Willis Aye, et ux, lessor, and Cyprus Mines Corporation, lessee (patented lode claim).

| <u>CLAIM</u> | <u>MIN. SURVEY</u> | <u>PATENT</u> | <u>GROSS ACREAGE</u> |
|--------------|--------------------|---------------|----------------------|
| Bailey       | 1871               | 42922         | 17.295               |

- C. Orba and Rose Borsch Group: Mining Lease dated August 3, 1982 by and between Orba T. Borsch, et ux, and Rose E. Borsch, lessor, and Cyprus Mines Corporation, lessee (unpatented lode claim).

| CLAIM | LOCATED    | RECORDED |      | B.L.M. SERIAL NO. | GROSS ACREAGE |
|-------|------------|----------|------|-------------------|---------------|
|       |            | BOOK     | PAGE |                   |               |
| Maria | 07/20/1958 | 342      | 290  | M MC 32414 (SD)   | 16.16         |

D. Marcia Darland Group: Mining Lease dated August 10, 1982 by and between Marcia A. Darland, Tessor, and Cyprus Mines Corporation, lessee (unpatented lode claims).

| CLAIM              | LOCATED    | RECORDED |      | B.L.M. SERIAL NO. | GROSS ACREAGE |
|--------------------|------------|----------|------|-------------------|---------------|
|                    |            | BOOK     | PAGE |                   |               |
| Nut                | 05/08/1976 | 76       | 1081 | M MC 17030 (SD)   | ) 22.31       |
| Nut Number One (1) | 05/08/1976 | 76       | 1082 | M MC 17031 (SD)   |               |

NOTE: The area covered by these claims has been relocated November 16, 1982 as the Erik 1-4 unpatented lode claims; recordation and B.L.M. filing is in process.

E. Jen Group: Unpatented lode claims located and owned by Cyprus Mines Corporation.

| CLAIM  | LOCATED    | RECORDED |  | B.L.M. SERIAL NO. | GROSS ACREAGE |
|--------|------------|----------|--|-------------------|---------------|
|        |            | DOC. NO. |  |                   |               |
| Jen 1  | 05/22/1982 | 82-1772  |  | M MC 83817 (SD)   | 9.64          |
| Jen 2  | 05/22/1982 | 82-1773  |  | M MC 83818 (SD)   | 11.98         |
| Jen 3  | 05/22/1982 | 82-1774  |  | M MC 83819 (SD)   | 11.62         |
| Jen 4  | 05/22/1982 | 82-1775  |  | M MC 83820 (SD)   | 9.23          |
| Jen 5  | 05/22/1982 | 82-1776  |  | M MC 83821 (SD)   | 18.57         |
| Jen 6  | 05/22/1982 | 82-1777  |  | M MC 83822 (SD)   | 20.66         |
| Jen 7  | 05/22/1982 | 82-1778  |  | M MC 83823 (SD)   | 20.65         |
| Jen 9  | 05/23/1982 | 82-1779  |  | M MC 83824 (SD)   | 0.54          |
| Jen 10 | 05/23/1982 | 82-1780  |  | M MC 83825 (SD)   | 0.02          |

Know all men by these presents, that CONGDON AND CAREY, LTD. 5, a Colorado limited partnership ("Assignor"), for and in consideration of the sum of ten dollars and other good and valuable consideration, to it in hand paid by CoCa MINES INC., a Colorado corporation ("Assignee"), the receipt of which is hereby acknowledged, has bargained and sold and by these presents does grant, convey, transfer and assign unto Assignee all right, title and interest of Assignor in, from and under the terms of each lease or other property described in Exhibit A attached hereto and the lands described therein.

EXECUTED as of the 31st day of December, 1982.

CONGDON AND CAREY, LTD. 5

By Thomas E. Congdon  
Thomas E. Congdon,  
General Partner

STATE OF COLORADO }  
                              } ss.  
COUNTY OF DENVER }

On this 31<sup>st</sup> day of February, 1983, before me, REBECCA C. GILMAN, the undersigned officer, personally appeared Thomas E. Congdon who acknowledged himself to be a General Partner of Congdon and Carey, Ltd. 5, a Colorado limited partnership, and that he, as such General Partner, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the partnership by himself as General Partner.

In witness whereof, I hereunto set my hand and official seal.

My commission expires: January 18, 1984

Notary Public

Address 1001

GILT EDGE

T. 4N., R. 3E.: Sec. 1, 12  
 T. 4N., R. 4E.: Sec. 5, 6, 7, 8  
 Black Hills Meridian  
 Bear Butte Mining District  
 Lawrence County, South Dakota

I. Patented and unpatented mining claims in which Cyprus Mines Corporation has acquired an 80% interest by virtue of a Joint Venture Agreement dated January 1, 1975 with Congdon and Carey, Ltd. 5, and an Assignment dated April 18, 1975 from Congdon and Carey, Ltd. 5, to Cyprus Mines Corporation.

A. Commonwealth Group: Lease and Option to Purchase dated October 16, 1974 by and between Commonwealth Mining Co. of South Dakota, lessor, and Thomas E. Congdon, lessee.

## 1. Patented Lode Claims

| <u>CLAIM</u>         | <u>MIN. SURVEY</u> | <u>PATENT</u> | <u>GROSS ACREAGE</u> |
|----------------------|--------------------|---------------|----------------------|
| Anchor               | 136                | 3823          | 8.28                 |
| Rattlesnake Jack     | 188                | 8422          | 9.98                 |
| Center Fraction      | 189                | 6659          | 2.61                 |
| Little Giant         | 213                | 7301          | 9.77                 |
| Montenegro           | 311                | 14221         | 4.46                 |
| Gilt Edge            | 328                | 8652          | 7.78                 |
| Ophir                | 483                | 20050         | 9.99                 |
| Oro Fino             | 646                | 26523         | 9.49                 |
| Oro Bella (3/8 int.) | 648                | 22197         | 1.155 (3/8)          |
| Haggoner (3/8 int.)  | 649                | 22198         | 2.8125 (3/8)         |
| Sunday               | 650                | 21259         | 9.57                 |
| Two Bears            | 699                | 21257         | 4.53                 |
| Sonora               | 700                | 20996         | 7.72                 |
| Bismarck             | 884                | 22661)        |                      |
| Golden Star Fr.      | 884                | 22661)        |                      |
| Rush                 | 884                | 22661)        | 33.696               |
| Golden West          | 884                | 22661)        |                      |
| Holtke               | 884                | 22661)        |                      |
| St. Patrick          | 926                | 29732         | 8.181                |
| Summit               | 926                | 29732         | 5.173                |
| Mary Ellen           | 926                | 29732         | 4.962                |
| J.K.P.               | 926                | 29732         | 9.462                |
| Big Spring           | 926                | 29732         | 5.237                |
| Haley                | 927                | 24021         | 9.06                 |
| Theodor              | 927                | 24021         | 8.69                 |
| Ontario              | 975                | 28948)        |                      |
| Binghamton           | 975                | 28948)        |                      |
| True Blue            | 975                | 28948)        | 43.035               |
| Delhigh              | 975                | 28948)        |                      |
| Horwich              | 975                | 28948)        |                      |

| CLAIM            | MIN. SURVEY | PATENT | GROSS ACREAGE |
|------------------|-------------|--------|---------------|
| Bavaria          | 1031        | 26763  | 10.00         |
| Walter           | 1031        | 26763  | 10.00         |
| Franklin         | 1031        | 26763  | 10.00         |
| Carl             | 1031        | 26763  | 10.00         |
| Marie            | 1031        | 26763  | 8.57          |
| White            | 1031        | 26763  | 8.57          |
| Prussian         | 1031        | 26763  | 10.26         |
| Hattie           | 1031        | 26763  | 10.25         |
| Gray             | 1031        | 26763  | 10.26         |
| Louis            | 1031        | 26763  | 10.26         |
| Fritz            | 1031        | 26763  | 10.26         |
| Scotia           | 1031        | 26763  | 10.26         |
| Algol Fraction   | 1069        | 29566  | 2.626         |
| Dakota Maid      | 1225        | 32480  | 8.43          |
| Dakota Maid Fr.  | 1225        | 32480  | 1.46          |
| Mineral Twin #1  | 1235        | 30615  | 10.270        |
| Mineral Twin #2  | 1235        | 30615  | 10.214        |
| Rosa Belle       | 1235        | 30615  | 10.257        |
| Summit           | 1236        | 30615  | 6.806         |
| Summit #1        | 1236        | 30615  | 7.04          |
| Horn Silver      | 1236        | 30615  | 9.929         |
| Saxonia          | 1239        | 31241  | 10.128        |
| Saxonia Fr.      | 1239        | 31241  | 2.259         |
| Cortez           | 1239        | 31241  | 10.074        |
| Aquila           | 1239        | 31241  | 10.071        |
| Happy New Year   | 1239        | 31241  | 10.061        |
| Golden Crest     | 1239        | 31241  | 10.051        |
| Hiantonomoh      | 1239        | 31241  | 10.052        |
| 1895             | 1421        | 34697  | 10.648        |
| 1895 No. 1       | 1421        | 34697  | 10.072        |
| 1895 No. 2       | 1421        | 34697  | 13.162        |
| 1895 No. 4       | 1421        | 34697  | 5.925         |
| Ossa             | 1575        | 38124  | 10.193        |
| Minna            | 1575        | 38124  | 9.368         |
| Pelion           | 1575        | 38124  | 8.465         |
| Waterloo         | 1575        | 38124  | 17.793        |
| Bunker Hill      | 1575        | 38124  | 10.794        |
| Arcadia          | 1831        | 45147  | 19.502        |
| Commonwealth     | 1892        | 44279  | 9.709         |
| Commonwealth Fr. | 1892        | 44279  | 8.156         |
| Robin Fr.        | 1892        | 44279  | 5.691         |
| Hondamin         | 1932        | 45703  | 5.715         |
| Silver Gance     | 1932        | 45703  | 12.055        |
| Standard         | 1932        | 45703  | 14.685        |
| Cerofte          | 1932        | 45703  | 19.501        |
| Zipp Fraction    | 1932        | 45703  | 3.798         |

## 2. Patented Placer Claim

| <u>CLAIM</u>     | <u>MIN. SURVEY</u> | <u>PATENT</u> | <u>GROSS ACREAGE</u> |
|------------------|--------------------|---------------|----------------------|
| Strawberry Creek | 712                | 23596         | 19.56                |

## 3. Unpatented Lode Claims

| <u>CLAIM</u>    | <u>LOCATED</u> | <u>RECORDED</u> |             | <u>B.L.M. SERIAL NO.</u> | <u>GROSS ACREAGE</u> |
|-----------------|----------------|-----------------|-------------|--------------------------|----------------------|
|                 |                | <u>BOOK</u>     | <u>PAGE</u> |                          |                      |
| *Reindeer No. 1 | 04/10/1901     | 155             | 599         | M MC 34116 (SD)          | 18.39                |
| (Amended)       | 06/15/1907     | 188             | 433         |                          |                      |
| *Reindeer No. 2 | 04/10/1901     | 155             | 599         | M MC 34117 (SD)          | 18.39                |
| (Amended)       | 06/15/1907     | 188             | 434         |                          |                      |
| *Reindeer No. 3 | 04/10/1901     | 155             | 600         | M MC 34118 (SD)          | 12.626               |
| *Reindeer Fr.   | 04/10/1901     | 155             | 600         | M MC 34119 (SD)          | 6.276                |
| (Amended)       | 06/15/1907     | 188             | 433         |                          |                      |
| *Gilmore Fr.    | 12/01/1902     | 168             | 264         | M MC 34120 (SD)          | 15.075               |
| (Amended)       | 06/15/1907     | 188             | 434         |                          |                      |
| *Llewellyn      | 06/15/1907     | 188             | 435         | M MC 34121 (SD)          | 13.074               |
| New York        | 11/26/1894     | 104             | 617         | M MC 34122 (SD)          | 20.66                |
| (Amended)       | 11/07/1899     | 144             | 494         |                          |                      |
| Silver Crest    | 10/12/1916     | 215             | 296         | M MC 34123 (SD)          | 20.66                |
| (Amended)       | -              | 215             | 300         |                          |                      |
| Cnome           | 12/09/1915     | 215             | 207         | M MC 34124 (SD)          | 14.92                |
| Zelda No. 1     | 09/25/1954     | 326             | 329         | M MC 34125 (SD)          | 20.66                |
| Zelda No. 2     | 09/25/1954     | 326             | 330         | M MC 34126 (SD)          | 20.66                |
| Zelda No. 3     | 10/21/1954     | 326             | 348         | M MC 34127 (SD)          | 20.66                |
| Zelda No. 4     | 10/21/1954     | 326             | 349         | M MC 34128 (SD)          | 20.66                |
| Mineral         | 09/16/1954     | 326             | 317         | M MC 34129 (SD)          | 19.9                 |
| Waggoner Fr.    | 09/14/1961     | 358             | 46          | M MC 34130 (SD)          | 0.96                 |
| Sunday Fr.      | 09/14/1961     | 358             | 44          | M MC 34131 (SD)          | 0.54                 |
| Norwich Fr.     | 09/14/1961     | 358             | 45          | M MC 34132 (SD)          | 0.78                 |
| Rattlesnake Fr. | 07/26/1961     | 352             | 566         | M MC 34133 (SD)          | 0.54                 |

\*Mineral Survey No. 1990

B. Northwestern Metal Group: Lease and Option to Purchase dated September 1, 1976 by and between Northwestern Metal Company, lessor, and Congdon and Carey, Ltd. 5, lessee (patented lode claims).

| <u>CLAIM</u>    | <u>MIN. SURVEY</u> | <u>PATENT</u> | <u>GROSS ACREAGE</u> |
|-----------------|--------------------|---------------|----------------------|
| Alert           | 1134               | 32166         | 9.327                |
| Alert Fr.       | 1134               | 32166         | 9.119                |
| Alert Fr. No. 1 | 1134               | 32166         | 8.384                |
| Argo Fr.        | 1134               | 32166         | 2.844                |
| Const           | 1134               | 32166         | 9.848                |
| Eureka          | 1134               | 32166         | 9.569                |
| Hoodo           | 1134               | 32166         | 2.888                |
| Maverick        | 1134               | 32166         | 8.627                |

| <u>CLAIM</u> | <u>MIN. SURVEY</u> | <u>PATENT</u> | <u>GROSS ACREAGE</u> |
|--------------|--------------------|---------------|----------------------|
| May          | 1134               | 32166         | 9.752                |
| May Fr.      | 1134               | 32166         | 2.584                |
| Nevada       | 1134               | 32166         | 7.644                |
| Pyrite       | 1134               | 32166         | 6.383                |
| Pyrite Fr.   | 1134               | 32166         | 3.935                |
| South Ruby   | 1134               | 32166         | 9.323                |
| Summit       | 1134               | 32166         | 9.102                |
| Union Hill   | 1134               | 32166         | 9.013                |

- C. Kosel Group: Petitioner's Deed dated October 18, 1978 from Amanda Kosel, Petitioner of the Estate of Magdalena Waggoner, deceased, grantor, to Cyprus Mines Corporation and Congdon and Carey, Ltd. 5, grantee.

1. Patented Lode Claims

| <u>CLAIM</u>           | <u>MIN. SURVEY</u> | <u>PATENT</u> | <u>GROSS ACREAGE</u> |
|------------------------|--------------------|---------------|----------------------|
| Waggoner (5/8 int.)    | 649                | 22198         | 4.69 (5/8)           |
| Oro Bella (5/8 int.)   | 646                | 22197         | 1.92 (5/8)           |
| Crown Point (1/4 int.) | 912                | 31842         | 2.37 (1/4)           |

2. Patented Placer Claim

| <u>CLAIM</u> | <u>MIN. SURVEY</u> | <u>PATENT</u> | <u>GROSS ACREAGE</u> |
|--------------|--------------------|---------------|----------------------|
| Hoodoo Gulch | 931                | 24135         | 12.56                |

- II. Patented and unpatented mining claims in which Cyprus Mines Corporation has 100% interest (20% of which is to be assigned to Congdon and Carey, Ltd. 5).

- A. Whitehouse Congress Group: Mining Lease dated August 7, 1982 by and between Whitehouse Congress, Inc., lessor, and Cyprus Mines Corporation, lessee (patented lode claim).

| <u>CLAIM</u>  | <u>MIN. SURVEY</u> | <u>PATENT</u> | <u>GROSS ACREAGE</u> |
|---------------|--------------------|---------------|----------------------|
| Highland Mary | 326                | 8654          | 7.75                 |

- B. Willis Aye Group: Mining Lease dated August 7, 1982 by and between Willis Aye, et ux, lessor, and Cyprus Mines Corporation, lessee (patented lode claim).

| <u>CLAIM</u> | <u>MIN. SURVEY</u> | <u>PATENT</u> | <u>GROSS ACREAGE</u> |
|--------------|--------------------|---------------|----------------------|
| Bailey       | 1871               | 42922         | 17.295               |

- C. Orba and Rose Borsch Group: Mining Lease dated August 3, 1982 by and between Orba T. Borsch, et ux, and Rose E. Borsch, lessor, and Cyprus Mines Corporation, lessee (unpatented lode claim).

| CLAIM | LOCATED    | RECORDED |      | B.L.M. SERIAL NO. | GROSS ACREAGE |
|-------|------------|----------|------|-------------------|---------------|
|       |            | BOOK     | PAGE |                   |               |
| Maria | 07/20/1958 | 342      | 290  | M MC 32414 (SD)   | 16.16         |

D. Marcia Darland Group: Mining Lease dated August 10, 1982 by and between Marcia A. Darland, Tessor, and Cyprus Mines Corporation, lessee (unpatented lode claims).

| CLAIM              | LOCATED    | RECORDED |      | B.L.M. SERIAL NO. | GROSS ACREAGE |
|--------------------|------------|----------|------|-------------------|---------------|
|                    |            | BOOK     | PAGE |                   |               |
| Nut                | 05/08/1976 | 76       | 1081 | M MC 17030 (SD)   | } 22.31       |
| Nut Number One (1) | 05/08/1976 | 76       | 1082 | M MC 17031 (SD)   |               |

NOTE: The area covered by these claims has been relocated November 16, 1982 as the Erik 1-4 unpatented lode claims; recordation and B.L.M. filing is in process.

E. Jen Group: Unpatented lode claims located and owned by Cyprus Mines Corporation.

| CLAIM  | LOCATED    | RECORDED |  | B.L.M. SERIAL NO. | GROSS ACREAGE |
|--------|------------|----------|--|-------------------|---------------|
|        |            | DOC. NO. |  |                   |               |
| Jen 1  | 05/22/1982 | 82-1772  |  | M MC 88817 (SD)   | 9.64          |
| Jen 2  | 05/22/1982 | 82-1773  |  | M MC 88818 (SD)   | 11.98         |
| Jen 3  | 05/22/1982 | 82-1774  |  | M MC 88819 (SD)   | 11.82         |
| Jen 4  | 05/22/1982 | 82-1775  |  | M MC 88820 (SD)   | 9.23          |
| Jen 5  | 05/22/1982 | 82-1776  |  | M MC 88821 (SD)   | 18.57         |
| Jen 6  | 05/22/1982 | 82-1777  |  | M MC 88822 (SD)   | 20.66         |
| Jen 7  | 05/22/1982 | 82-1778  |  | M MC 88823 (SD)   | 20.66         |
| Jen 9  | 05/23/1982 | 82-1779  |  | M MC 88824 (SD)   | 0.54          |
| Jen 10 | 05/23/1982 | 82-1780  |  | M MC 88825 (SD)   | 0.02          |

DOC. NO. 83-2386

1983 FEB -7 AM 9:46

IVORNE C. FOREMAN  
LAWRENCE COUNTY  
REGISTER OF DEEDS

*Jan 7*

83-2448

ASSIGNMENT OF 80% INTEREST IN  
LEASE AND OPTION TO PURCHASE

FOR A VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, CONGDON AND CAREY, LTD. S, a Colorado partnership, hereby assigns to CYPRUS MINES CORPORATION, a New York corporation, an undivided 80% interest in and under (i) the Lease and Option to Purchase entered into under date of September 1, 1976 between Northwestern Metal Company, a Nebraska corporation, and Congdon and Carey, Ltd. S, and (ii) the patented mining claims which are identified in said Lease and Option to Purchase and on Exhibit A hereto attached.

Dated: September 27, 1976

CONGDON AND CAREY, LTD. S

By:

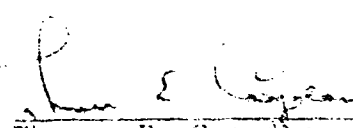
  
Thomas E. Congdon,  
General Partner

EXHIBIT A

(Attached to and made a part of Assignment  
of 80% Interest in Lease and Option to  
Purchase from Congdon and Carey, Ltd. 5,  
a Colorado partnership, to Cyprus Mines  
Corporation, a New York corporation)

PATENTED LODE MINING CLAIMS

Mineral Survey No. 1134

Alert  
Alert Fraction  
Alert Fraction No. 1  
Argo  
Comet  
Eureka  
Hoodoo  
Maverick

May  
May Fraction  
Nevada  
Pyrite  
Pyrite Fraction  
S. Ruby  
Summit  
Union Hall

STATE OF COLORADO )  
 ) ss.  
COUNTY OF DENVER )

On this 30th day of August, 1976, Before  
me, the undersigned officer, personally appeared THOMAS E.  
CONGDON, known to me to be the person whose name is subscribed  
to the within instrument and acknowledged that he executed the  
same for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and  
official seal.

My commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

DOC. NO. 83-2448

RECORDED 11 1:09

for \$4.00  
JRM

83-4097

LEASE AND OPTION TO PURCHASE

MEMORANDUM FOR RECORDING

THIS LEASE AND OPTION TO PURCHASE - MEMORANDUM FOR RECORDING is made and entered into effective as of the 1st day of September, 1976, by and between NORTHWESTERN METAL COMPANY, a Nebraska corporation, whose address is P.O. Box 81826, Superior Industrial Park, P.O. Box 81826, Lincoln, Nebraska 68501 (hereinafter referred to as "Northwestern"), and CYPRUS MINES CORPORATION, a Delaware corporation, with an office at 7000 South Yosemite Street, P.O. Box 3299, Englewood, Colorado 80155, and COCA MINES INC., a Colorado corporation, whose address is 910 Denver Center Building, 1776 Lincoln Street, Denver, Colorado 80203, successors in interest to CONGDON AND CAREY, LTD. 5, by assignments dated September 27, 1976, and December 31, 1982, recorded as document numbers 83-2386 and 83-2448 of the official records of Lawrence County, South Dakota (hereinafter collectively referred to as "Lessee"):

IN CONSIDERATION OF the rentals, royalties, covenants and agreements set forth in the Unrecorded Lease, the sufficiency of which Lessor hereby acknowledges, Lessor and Lessee agree as follows:

1.1 Exclusive Lease. Pursuant to the terms and conditions of that certain unrecorded Mining Lease of September 1, 1976 (Unrecorded Lease) between Lessor and Lessee, Lessor leased and hereby leases exclusively to Lessee, its successors and assigns, for the term and purposes stated below, the following described patented mining claims and any improvements thereon, and the lands covered thereby, situate in Sections 5, 6 and 8, Township 4 North, Range 4 East, Lawrence County, State of South Dakota (hereinafter referred to as the "Premises"), to-wit:

Alert  
Alert  
Alert  
Argo  
Conel  
Eurel  
Hood  
Maver

being

1.2 Purpose

the purpose of:

(1) to

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(2) to

(3) to

(4) to

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Premises. For t

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reasonably perm

production.

1.3 Additional

grants to Lessee

subsurface of t

desirable, or co

Unrecorded Lease

thereto on the

ally including,

going, the right

Mineral Survey No. 1134

|                      |                 |
|----------------------|-----------------|
| Alert                | May             |
| Alert Fraction       | May Fraction    |
| Alert Fraction No. 1 | Nevada          |
| Argo                 | Pyrite          |
| Comet                | Pyrite Fraction |
| Eureka               | S. Ruby         |
| Hoodoo               | Summit          |
| Haverick             | Union Hill      |

being approximately 119.20 acres.

1.2 Purposes; Term. The Premises are leased to Lessee for the purpose of:

- (1) exploring for and mining, or otherwise extracting by any method deemed desirable by Lessee, including open pit and strip mining;
- (2) milling, treating or otherwise processing;
- (3) storing or stockpiling; and
- (4) removing, selling or otherwise disposing of all ores and minerals in, under, or upon the Premises; TO HAVE AND TO HOLD the same from September 1, 1976 for a period of fifteen (15) years and so long thereafter as said minerals or any of them are produced in commercial quantities from the Premises. For the purpose of determining said term hereof, it is presumed that minerals are produced in commercial quantities in any calendar year if they are so produced during at least half of the period of such calendar year during which weather reasonably permits access to the Premises for purposes of production.

1.3 Additional Grant. Lessor has granted and hereby grants to Lessee the right to use so much of the surface or subsurface of the Premises as may be reasonably necessary, desirable, or convenient in carrying out the purposes of the Unrecorded Lease, and for conducting all operations incident thereto on the Premises or on any adjacent premises, specifically including, without limiting the generality of the foregoing, the right to construct, use, maintain, repair, replace

and relocate on the Premises or on adjacent premises processing facilities, buildings, shops, plants, ore stockpiles (including ores from outside the Premises), pipelines, telephone lines, electric transmission lines, roads and roadways, and other utilities or transportation facilities for use in connection with the purposes of this Agreement, and for use by Lessee in connection with Lessee's operations on other lands in the general area of the Premises. Lessor further grants to Lessee the right to use any now existing or subsequently discovered surface or underground water which is not required for the domestic or agricultural usage of Lessor or its agricultural leases, but it is understood that Lessee shall have no right to cut and remove timber from the Premises except for such cutting as may be necessary in its mining operations. The leasing, letting and demising of the Premises by Lessor to Lessee hereunder shall include any and all rights to pursue any veins or lodes or mineral deposits contained within the Premises along any strike, dip or course of the same, and shall include all rights relative to the mining claims embraced by the Premises and any veins or lodes contained within the same, and all rights of ingress or egress to the Premises, all to the extent that Lessor has the right to grant the same.

#### SECTION TWO. OPTION TO PURCHASE

2.1 Option to Purchase. Lessor has granted and hereby grants to Lessee the exclusive right and option to purchase all of its right, title and interest in and to the Premises at any time while the Unrecorded Lease is in effect upon terms stated in the Unrecorded Lease.

#### SECTION THREE. NOTICES

3.1 Notices. All notices and demands of any kind which either party may require or desire to give or serve on the other

shall be made in writing, delivered by personal service, or sent by registered or certified mail, postage prepaid, return receipt requested, or telecopy or telex, to the addresses of the parties as listed above.

#### SECTION FOUR. UNRECORDED AGREEMENT CONTROLLING

4.1 Unrecorded Agreement Controlling. This Mining Lease - Memorandum for Recording is being recorded to give constructive notice of the Mining Lease granted by Lessor to Lessee pursuant to the terms and conditions of the Unrecorded Lease. The incomplete statement in this Memorandum for Recording of any of the terms and provisions of the Unrecorded Lease shall not be deemed to amend or modify the Unrecorded Lease which shall be the controlling instrument.

IN WITNESS WHEREOF, the parties have executed this MINING LEASE - MEMORANDUM FOR RECORDING effective as of the date first above set forth.

Attest:

[Signature]

Northwestern:  
Northwestern Metal Company

By: David J. Hedges  
David Hedges, President

Attest:

[Signature]  
W. H. Cann

LESSEE:  
Cyprus Mines Corporation

By: [Signature]  
H. L. Bauer, Jr.,  
Vice President

Attest:

[Signature]  
C. C. Mitchell,  
Vice President

LESSEE:  
Coca Mines Inc.

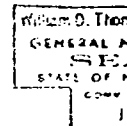
By: [Signature]  
Hugh J. Matheson, President

State of Ala  
County of L

On this  
before me,  
personally  
himself to b  
corporation,  
authorized t  
purposes t  
corporation

In with

SEAL



My Commissi

State of  
County of

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before me  
personally  
himself to  
corporation  
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corporation

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My Commiss

**CORPORATE ACKNOWLEDGMENT - NEBRASKA**

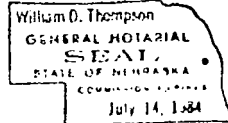
State of Nebraska )  
County of Lawrence ) ss.

On this the 30<sup>th</sup> day of June, 1983, before me, William D. Thompson, the undersigned officer, personally appeared Donald V. Hedges who acknowledged himself to be the President of Northwestern Mutual Co a corporation, and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as President.

In witness whereof I hereto set my hand and official seal.

William D. Thompson  
Notary Public

SEAL



William D. Thompson  
Typed or Printed Name

1776 Lincoln Street NE 68201  
Business Address

My Commission expires \_\_\_\_\_

June 14, 1984

**CORPORATE ACKNOWLEDGMENT - SOUTH DAKOTA**

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ )

On this the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me, \_\_\_\_\_ the undersigned officer, personally appeared \_\_\_\_\_ who acknowledged himself to be the \_\_\_\_\_ of \_\_\_\_\_ a corporation, and that he, as such \_\_\_\_\_, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as \_\_\_\_\_.

In witness whereof I hereto set my hand and official seal.

\_\_\_\_\_  
Notary Public

SEAL

\_\_\_\_\_  
Typed or Printed Name

1776 Lincoln Street  
Denver, Colorado 80201  
Business Address

My Commission expires \_\_\_\_\_

\_\_\_\_\_

CORPORATE ACKNOWLEDGMENT - COLORADO (20155)

State of COLORADO )  
County of ELIZABETH ) ss.

On this the 11th day of July, 1953,  
before me, Marion Scholz, the undersigned officer,  
personally appeared M. L. Rame, Jr., who acknowledged  
himself to be the Vice President of Cypress Press Corporation, a  
corporation, and that he, as such Vice President, being  
authorized so to do, executed the foregoing instrument for the  
purposes therein contained, by signing the name of the  
corporation by himself as

In witness whereof I hereto set my hand and official seal.

Marion Scholz  
Notary Public

SEAL

Marion Scholz  
Typed or Printed Name  
7000 South Yosemite Street  
Englewood, Colorado 80155  
Business Address

My Commission expires

February 5, 1955

CORPORATE ACKNOWLEDGMENT - SOUTH DAKOTA

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ ) ss.

On this the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_,  
before me, \_\_\_\_\_, the undersigned officer,  
personally appeared \_\_\_\_\_, who acknowledged  
himself to be the \_\_\_\_\_ of \_\_\_\_\_ a  
corporation, and that he, as such \_\_\_\_\_, being  
authorized so to do, executed the foregoing instrument for the  
purposes therein contained, by signing the name of the  
corporation by himself as

In witness whereof I hereto set my hand and official seal.

\_\_\_\_\_  
Notary Public

SEAL

\_\_\_\_\_  
Typed or Printed Name

\_\_\_\_\_  
Business Address

My Commission expires

DOC. NO. 83-4097

1953 JUL 21 AM 11:01

for \$7.00  
gem.

COMMITMENT  
FOR  
TITLE  
INSURANCE



SAFECO TITLE INSURANCE COMPANY  
OF IDAHO

HOME OFFICE  
300 NORTH SIXTH STREET  
BOISE, IDAHO 83701



DENNIS MURRAY, PRES.  
DICK MURRAY, TREAS.

POST OFFICE BOX 588  
DEADWOOD, SOUTH DAKOTA 57732

PHONE (605) 578-2376  
8-15-83

Dear John:

Enclosed are the instruments we will show on title insurance on MS 1134, plus some instruments assigning and terminating leases which have unknown origins.

I am looking forward to meeting you in late August. we can go over particulars and tax records at that time. Sorry about the delay on this information.

Yours truly,  
Dennis



Alert Fraction  
Lucky Fraction  
Brown Fraction  
Adrian Fraction  
Union Fraction

MEMORANDUM OF LEASE AND OPTION TO PURCHASE

THIS MEMORANDUM, Made this 13th day of March, 1968, by and between  
NORTHWESTERN METAL COMPANY, a Nebraska corporation, whose address is P. O. Box  
1826, North 27th Industrial Park, Lincoln, Nebraska, hereinafter referred to as  
"Northwestern", and CONGDON AND CAREY, LTD. NO. 3, a limited partnership under  
the provisions of the Colorado Revised Statutes, whose address is 520 Patterson  
Building, Denver, Colorado, hereinafter referred to as "Congdon",

W I T N E S S E T H:

That Northwestern is the owner of the full mineral interest in the fol-  
lowing described patented mining claims and any improvements thereon, and the lands  
covered thereby, situate in Sections 5, 6 and 8, Township 4 North, Range 4 East,  
Lawrence County, State of South Dakota, hereinafter referred to as the "premises",  
to-wit:

Mineral Survey No. 1134

|                      |                 |
|----------------------|-----------------|
| Alert                | May             |
| Alert Fraction       | May Fraction    |
| Alert Fraction No. 1 | Nevada          |
| Argo                 | Pyrite          |
| Comet                | Pyrite Fraction |
| Eureka               | S. Ruby         |
| Hoodoo               | Summit          |
| Maverick             | Union Hill      |

and that

Northwestern has granted, leased, demised and let, exclusively unto Congdon, the  
premises for the purposes and upon the terms and conditions set forth in that certain  
Lease and Option to Purchase, dated November 17, 1967, for the period of fifteen (15)  
years from the date thereof and so long thereafter as ores and minerals, or any of  
them, are produced in commercial quantities from the premises; and further, North-  
western, under the terms and conditions of said Lease and Option to Purchase, has  
granted and conveyed to Congdon the exclusive right and option to purchase all of  
its right, title and interest in and to the premises.

That said Lease and Option to Purchase, dated November 17, 1967, is by  
this reference incorporated herein and made a part hereof in all respects as though  
fully set forth herein.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of  
Lease and Option to Purchase to be executed the day and year first hereinabove  
written.

Attest:

NORTHWESTERN METAL COMPANY

By Gay Hill President

CONGDON AND CAREY, LTD. NO. 3

By Thomas E. Congdon General Partner

STATE OF NEBRASKA )  
COUNTY OF LANCASTER )

On this the 2nd day of <sup>May</sup> March, 1968, before me, William D. Thompson,  
a Notary Public, personally appeared Gary Hill,  
who acknowledged himself to be the \_\_\_\_\_ President of NORTHWESTERN METAL COMPANY, a  
corporation, and that he, as such \_\_\_\_\_ President, being authorized so to do, executed  
the foregoing instrument for the purposes therein contained, by signing the name of  
the corporation by himself as \_\_\_\_\_ President.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

My Commission expires May 14, 1974.

William D. Thompson  
Notary Public

STATE OF COLORADO )  
CITY AND )  
COUNTY OF DENVER )

On this 20th day of March, 1968, before me, D. J. W. Fullmer,  
a Notary Public, personally appeared THOMAS E. CONGDON, known to me to be the person  
whose name is subscribed to the within instrument and acknowledged that he executed  
the same for the purposes therein contained.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

My Commission expires October 2, 1968.

D. J. W. Fullmer  
Notary Public

237255  
Office of Registrar of Deaths  
State of South Dakota  
County of Lawrence  
Filed for record this 9 day of May 1968 at 8:30 o'clock  
and recorded in Book No. 384 Page 257  
Fee 50  
Robert J. [Signature]  
Registrar of Deaths  
Deputy

BOOK 384 PAGE 257



SAFECO

Copyright 1970 American Land Title Association  
ALTA Single Form Policy-1970 with  
ALTA Indorsement-Form 1 coverage

## POLICY OF TITLE INSURANCE

Issued from the office of  
BLACK HILLS LAND & ABSTRACT COMPANY

81½ Sherman Street  
P.O. Box 588  
Deadwood, South Dakota 57732

SAFECO TITLE INSURANCE COMPANY  
OF IDAHO

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS CONTAINED IN SCHEDULE B AND THE PROVISIONS OF THE CONDITIONS AND STIPULATIONS HEREOF, SAFECO TITLE INSURANCE COMPANY OF IDAHO, an Idaho corporation, herein called the Company, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the amount of insurance stated in Schedule A, and costs, attorneys' fees and expenses which the Company may become obligated to pay hereunder, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested otherwise than as stated therein;
2. Any defect in or lien or encumbrance on such title;
3. Lack of a right of access to and from the land; or
4. Unmarketability of such title;

and in addition, if a mortgage is referred to in Schedule A as the insured mortgage, by reason of:

5. The invalidity or unenforceability of the lien of the insured mortgage upon said estate or interest except to the extent that such invalidity or unenforceability, or claim thereof, arises out of the transaction evidenced by the insured mortgage and is based upon
  - a. usury, or
  - b. any consumer credit protection or truth in lending law;
6. The priority of any lien or encumbrance over the lien of the insured mortgage;
7. Any statutory lien for labor or material which now has gained or hereafter may gain priority over the lien of the insured mortgage, except any such lien arising from an improvement on the land contracted for and commenced subsequent to Date of Policy not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance;
8. Any assessments for street improvements under construction or completed at Date of Policy which now have gained or hereafter may gain priority over the insured mortgage; or
9. The invalidity or unenforceability of any assignment, shown in Schedule A, of the insured mortgage or the failure of said assignment to vest title to the insured mortgage in the named insured assignee free and clear of all liens.

In Witness Whereof, SAFECO Title Insurance Company of Idaho has caused its corporate name and seal to be hereunto affixed by its duly authorized officers as of Date of Policy shown in Schedule A.

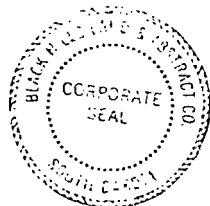
SAFECO TITLE INSURANCE COMPANY  
OF IDAHO

COUNTERSIGNED:

BLACK HILLS LAND &amp; ABSTRACT COMPANY

By:

*Harrie A. M...*



*W H Little*

President

*Joseph R. ...*

Secretary

SCHEDULE A

Order No. 10866

Amount of Insurance: \$ 250,000.00

Date of Policy: December 12, 1983  
at 8:00 A.M.

1. Name of Insured: Lacana Mining Inc., a Nevada corporation
2. The estate or interest in the land described herein and which is covered by this policy is:  
Fee simple
3. The estate or interest referred to herein is at Date of Policy vested in:  
Northwestern Metals Company, a Nebraska corporation
4. The land referred to in this policy is described as follows:

Mineral Survey #1134, located in Lawrence County, South Dakota, and consisting of the Adrian Fraction, Alert, Alert Fraction, Alert Fraction No. 1, Argo Fraction, Comet, Erwin Fraction, Eureka, Hoodo, Lucky Fraction, Maverick, May, May Fraction, Nevada, Pyrite, Pyrite Fraction, South Ruby, Summit, Union Fraction and Union Hill Lodes.

## SCHEDULE B (Standard)

This policy does not insure against loss or damage by reason of the following:

1. Rights or claims of persons in possession or claiming to be in possession, easements, liens or encumbrances including material or labor liens, which are not shown by the public records; reservations in patents or state grants; or in acts authorizing the issuance thereof; mineral rights, water rights, claims or title to minerals or water.

2. Questions of location, boundary and areas; overlaps and encroachments by improvements belonging to these or adjoining premises; all dependent upon actual survey for determination.

3. Assessments which are not shown as existing liens by the public records; taxes not yet payable; pending proceedings for vacating, opening or changing streets or highways preceding entry of the final ordinance or order therefor.

4. 1983 real estate taxes due --- not payable until 1984.

*Not released* 5. Memorandum of Lease and Option to Purchase dated March 13, 1968, between Northwestern Metal Company, a Nebraska corporation, and Congdon & Carey Ltd. No. 3, filed May 9, 1968 at 8:30 A.M. and recorded in Book 384 Page 259. *2 different leases?*

6. Assignment of 80% interest in lease and option dated September 27, 1976 between Congdon and Carey Ltd. 5 to Cyprus Mines Corporation as set out in Document #83-2448 filed February 14, 1983 at 1:39 P.M.

7. Assignment dated Dec. 31, 1982 from Congdon and Carey Ltd. 5, to CoCa Mines Inc., assigning 10% of assignors net revenue interest of lease dated September 1, 1976 as set out in Document #83-2385 filed February 7, 1983 at 9:45 A.M.

8. Assignment dated Dec. 31, 1982 from Congdon and Carey Ltd. 5, to CoCa Mines Inc. all right, title and interest to lease and option entered into September 1, 1976 as set out in Document #83-2386 filed February 7, 1983 at 9:46 A.M.

*document* 9. *Memorandum* Lease and Option to Purchase dated September 1, 1976 by and between Northwestern Metal Company and Cyprus Mines Corporation and CoCa Mines Inc. as set out in Document #83-4097 filed July 21, 1983 at 11:01 A.M.

10. Amendment to Lease filed as Doc. #83-4097 between Northwestern Metal Company and Cyprus Mines Corporation and CoCa Mines Inc. for the purposes of amending the description of the premises contained in the Lease and Option to Purchase as set out more fully in Document #83-5163 filed September 19, 1983 at 10:15 A.M.

11. Assignment of interest as set out in Document #83-2385 from George G. Anderman to Dona M. Mohan, being an undivided 1/8th interest as set out in Document #83-4939 filed September 2, 1983 at 10:05 A.M.

12. Agreement of Merger by and between Cyprus Mines Corporation and Amoco GYM Corporation as set out in Document #83-5753 filed October 17, 1983 at 10:17 A.M.

13. Assignment dated Nov. 1, 1982 by and between Cyprus Mines Corporation, Assignor and B H Gold Mining Company, Assignee as set out in Document #83-5754 filed October 17, 1983 at 10:18 A.M.

## SCHEDULE B. CONTINUED

Order# 10866

14. Certificate of Ownership and Merger of the Cyprus Mines Corporation merging B H Gold Mining Company as set out in Document #83-5755 filed October 17, 1983 at 10:19 A.M.
15. Assignment of Lease and Memorandum for Recording dated June 1, 1983 by and between Cyprus Mines Corporation and CoCa Mines Inc. to Lacana Mining Inc., as set out and recorded in Document #83-5768 filed October 18, 1983 at 1:40 P.M.
16. Patent reservations as follows:  
Provided, That the right of possession to such outside parts of said veins, lodes or ledges, shall be confined to such portions thereof as lie between vertical planes drawn downward through the end lines of said Lot 1134, so continued in their own direction that such planes will intersect such exterior parts of said veins, lodes or ledges.  
And Provided further, That nothing herein contained shall authorize the grantee herein to enter upon the surface of a claim owned or possessed by another.  
And Subject to the following conditions and stipulations:  
First: That the premises hereby granted, with the exception of the surface, may be entered by the proprietor of any other vein, lodes or ledge, the top or apex of which lies outside of the boundary of said granted premises, should the same in its dip be found to penetrate, intersect or extend into said premises for the purposes of extracting and removing the ore from such other vein, lode or ledge.  
Second: That the premises hereby granted shall be held subject to any vested and accrued water rights for mining, agricultural, manufacturing or other purposes, and rights to ditches and reservoirs used in connection with such water rights as may be recognized and acknowledged by the local laws, customs and decisions of the courts. And there is reserved from the lands hereby granted, a right of way thereon for ditches or canals constructed by the authority of the United States.  
Third: That in the absence of necessary legislation by Congress, the Legislature of South Dakota may provide rules for working the mining claim or premises hereby granted, involving easements, drainage and other necessary means to its complete development.
17. Access to all properties has not been established of record and we do not guarantee access at this time.
18. Statutory easement for highway along section lines bounding or within the land herein described.

Attached to Policy No. OP 601219

Issued By

SAFECO TITLE INSURANCE COMPANY OF IDAHO

The Company assures the Insured that: The following language is deleted from Schedule B Paragraph #1: "mineral rights, water rights, claims or title to minerals or water."; and the following are substituted therefore: "unpatented mining claims, water rights, claims or title to water."

Add to Item #11 - Note: This is a transfer of partnership shares within CoCa Mines, Limited partnership.

The total liability of the Company under said policy and any endorsement therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the stipulations thereof to pay.

This endorsement is made a part of said policy and is subject to the schedules and stipulations therein, except as modified by the provisions hereof.

This endorsement is not to be construed as insuring the title to said lands as of any later date than the date of said policy, except as herein expressly provided as to the subject matter hereof.

Dated: February 6, 1984

COUNTERSIGNED:

By:



SAFECO TITLE INSURANCE COMPANY  
OF IDAHO

*W H Little*

President

*Bruce M. Jones*

Secretary



## COMMITMENT FOR TITLE INSURANCE

Issued from the office of  
BLACK HILLS LAND & ABSTRACT COMPANY  
81½ Sherman Street  
P.O. Box 588  
Deadwood, South Dakota 57732

## SAFECO TITLE INSURANCE COMPANY OF IDAHO

SAFECO TITLE INSURANCE COMPANY OF IDAHO, an Idaho corporation, herein called the Company, for a valuable consideration, hereby commits to issue its policy or policies of title insurance in ALTA Single Form Policy - 1970 coverages, as identified in Schedule A, in favor of the proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest covered hereby in the land described or referred to in Schedule A, upon payment of the premiums and charges therefor, all subject to the provisions of Schedule A and B, and the Conditions and Stipulations hereof.

This Commitment shall be effective only when the identity of the proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A hereof by the Company, which Insured and said amount may be changed by subsequent endorsement.

This Commitment is preliminary to the issuance of such policy or policies of title insurance and all liability and obligations hereunder shall cease and terminate six months after the effective date hereof or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue such policy or policies is not the fault of the Company.

This Commitment is further conditioned by the Conditions and Stipulations and Exclusions from Coverage of the basic form of the policy or policies committed to be issued. The examination of the public records made by Company as to the land set out in Schedule A was made wholly for determining the insurability of the title to said land and not for reporting on the condition of the record.

In Witness Whereof, SAFECO Title Insurance Company of Idaho has caused its corporate name and seal to be hereunto affixed by its duly authorized officers on the date shown in Schedule A.

COUNTERSIGNED:

BLACK HILLS LAND & ABSTRACT COMPANY

By: Harvey D. Murray



SAFECO TITLE INSURANCE COMPANY  
OF IDAHO

W H Little

President

Joseph C. Mancini

Secretary

## CONDITIONS AND STIPULATIONS OF COMMITMENT

1. The term "mortgage," when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Insured has or acquires actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions and Stipulations.
3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties include under the definition of Insured in the form of policy or policies committed for and only for actual pecuniary loss incurred in reliance hereon in undertaking in good faith (a) to eliminate exceptions shown in Schedule B, or (b) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and the Conditions and Stipulations of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.

NOTE: The language contained in the printed Exclusions from Coverage and Conditions and Stipulations of the policy may be examined by reference to forms on file in the office of the Department of Insurance or by inquiry at the office which issued this Commitment.

SCHEDULE A

Order No. 5822

Page 3

1. Effective date: September 1, 1983, at 8:00 a.m.

2. Policy or policies to be issued: (Standard coverage unless otherwise indicated)

(a) Owners ( ) Purchasers ~~XXX~~ Lessees ( ) Amount: \$500,000.00

Name of proposed Insured: Lacana Mining, Inc.

(b) Mortgage Standard ( ) Mortgage Extended ( ) Amount: \$  
Coverage Coverage

Name of proposed Insured:

3. The estate or interest in the land described in this commitment and covered herein is:  
Fee simple.

4. Title to the estate or interest referred to herein is at the effective date hereof vested in:  
Northwestern Metals Company, a Nebraska Corporation

5. The land referred to in this Commitment is described as follows: Mineral Survey 1134, located in Lawrence County, South Dakota, and consisting of the Maverick, Pyrite, Pyrite Fraction, Argo Fraction, Lucky Fraction, Eureka, Alert Fraction, Erwin Fraction, Alert Fraction #1, Alert, Adrian Fraction, Nevada, Summit, Union Hill, Comet, Union Fraction, South Ruby, May, May Fraction and Hoodo Lodes.

Except: all minerals in or under said land including but not limited to metals, oil, gas, coal, stone and mineral rights, mining rights and easement rights or other matters relating thereto.

SCHEDULE B

Order No. 5822

Page 4

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed Insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment, including matters that may affect the title by reason of the proposed Insured acquiring title.
2. Rights or claims of persons in possession or claiming to be in possession, easements, liens or encumbrances including material or labor liens, which are not shown by the public records; reservations in patents or state grants; or in acts authorizing the issuance thereof; mineral rights, water rights, claims or title to minerals or water.\*
3. Questions of location, boundary and areas; overlaps and encroachments by improvements belonging to these or adjoining premises; all dependent upon actual survey for determination.\*
4. Assessments which are not shown as existing liens by the public records; taxes not yet payable; pending proceedings for vacating, opening or changing streets or highways preceding entry of the final ordinance or order therefor.\*

\*Paragraphs 2, 3 and 4 will not appear as printed exceptions on extended coverage policies, except as to such parts thereof which may be typed below.

5. 1982 taxes paid; 1983 taxes due, but not payable until 1984.
6. Omission of Argo Fraction, Lucky Fraction, Erwin Fraction, Adrian Fraction and Union Fraction from MEMORANDUM OF LEASE AND OPTION TO PURCHASE, in Book 384, page 259, and in subsequent instruments.
7. MEMORANDUM OF LEASE AND OPTION TO PURCHASE, recorded in Book 384, page 259 (copy attached).
8. ASSIGNMENT from Congdon and Carey to Coca Mines, Inc., recorded as Document #83-2385 (copy attached).
9. ASSIGNMENT from Congdon and Carey LTD, to Coca Mines, Inc., recorded as Document #83-2447. (copy attached).
10. ASSIGNMENT OF 80% INTEREST IN LEASE AND OPTION TO PURCHASE, from Congdon and Carey LTD, to Cyprus Mines, Inc., recorded as Document #83-2448 on 2/14/83 at 1:39 p.m.

SCHEDULE B CONTINUED ON PAGE 5:

NOTE: If policy is to be issued in support of a mortgage loan, attention is directed to the fact that the Company can assume no liability under its policy, the closing instructions, or Insured Closing Service for compliance with the requirements of any consumer credit protection or truth in lending law in connection with said mortgage loan.

**SCHEDULE B**

Form 3 - Commitment  
MTP-90B (Rev. 2-82)



11. While this policy does not insure mineral rights, mining rights, or easements incidental thereto, we note for your information only, that minerals appear to be intact and may be granted.
12. LEASE AND OPTION TO PURCHASE MEMORANDUM FOR RECORDING, by and between Northwestern Metals Company and Cyprus Mines Corporation and Coca Mines, Inc., recorded as Document #83-4097 on 7/21/83 at 11:01 a.m.
13. We should be furnished a copy of the Vestee's Board of Directors resolution authorizing the sale and directing the execution of the Deed.
14. Statutory easements for section lines.
15. Access to property has not been established of record and we do not guarantee access at this time.

2/16/83

CHAIN OF TITLE

Lucky, Erwin, Adrian and Union Fractions  
M. S. 1134, Patent No. 32166  
Gilt Edge, Lawrence County, South Dakota

|            |   |
|------------|---|
| 01/01/1897 | Location Certificate: Union Fraction<br>Locator: H. Clinton Grable<br>Recorded: 01/26/1897, Bk. 120, page 147   |
| 11/12/1897 | Location Certificate: Adrian Fraction<br>Locator: Edgemont & Union Hill Smelting Co.<br>Recorded: 11/13/1897, Bk. 133, page 126   |
| 11/12/1897 | Location Certificate: Erwin Fraction<br>Locator: Edgemont & Union Hill Smelting Co.<br>Recorded: 11/13/1897, Bk. 133, page 127  |
| 06/15/1898 | Location Certificate: Lucky Fraction<br>Locator: Edgemont & Union Hill Smelting Co.<br>Recorded 09/12/1898, Bk. 137, page 463   |
| 07/10/1898 | Deed, recorded 12/07/1898, Bk. 139, page 247<br>Grantor: Edgemont & Union Hill Smelting Co.<br>Grantee: John H. Graham & George A. Fletcher, Trustees<br>(of Edgemont)<br>Conveys: Adrian Fraction and other claims   |
| 11/21/1898 | Mining Deed, recorded _____, Bk. 139, page 347<br>Grantor: George A. Fletcher, Surviving Trustee<br>Grantee: Galena Mining & Smelting Co.<br>Conveys: Adrian Fraction, Erwin Fraction, Lucky Fraction,<br>Union Fraction, and other claims  |
| 02/16/1900 | Patent No. 32166, recorded 04/10/1900, Bk. 149 of Mis-<br>cellaneous Deeds, pages 530-546<br>Grantor: U.S.A.<br>Grantee: Galena Mining & Smelting Co.<br>Conveys: 20 Claims in M.S. 1134, including Lucky, Erwin,<br>Adrian & Union Fractions   |
| 08/10/1903 | Deed recorded 08/10/1903, Bk. 176, page 5<br>Grantor: James D. Hardin<br>Grantee: Branch Mint Mining & Milling Co.<br>Conveys: Union, Lucky, Erwin & Adrian Fractions, and other<br>property together with (Grantor's) interest which<br>he may hereafter acquire under Option to Purchase<br>dated 03/21/1903 with Percy S. Bickmore in which<br>Bickmore agreed to sell Hardin "all of the properties<br>..... heretofore owned by the Galena Mining and<br>Smelting Co." |

File 100040

09/15/1903      Deed recorded 09/15/1903, Bk. 176, page 51  
 Grantor: Percy B. Bickmore, Receiver for Galena Mining & Smelting Co.  
 Grantee: Branch Mint Mining & Smelting Co.  
 Conveys: All of Galena's assets, including Union, Lucky, Erwin & Adrian Fractions

09/15/1903      Deed recorded 09/15/1903, Bk. 176, page 53  
 Grantor: Galena Mining & Smelting Co. (by Walter H. Graham, President)  
 Grantee: Branch Mint Mining & Smelting Co.  
 Conveys: Claims including Union, Lucky, Erwin, & Adrian Fractions

09/15/1903      Mortgage recorded 09/15/1903, Bk. 165, page 303  
 Mortgagor: Branch Mint Mining & Milling Co.  
 Mortgagee: Union Trust Co.  
 Pledges assets of Branch Mint, including Union, Lucky, Erwin & Adrian Fractions

07/09/1909      Sheriff's Certificate of Tax Sale, recorded \_\_\_\_\_  
 Conveys: Interest of Branch Mint Mining & Smelting Co. to Robert N. Ogden, Trustee

Assignment, recorded \_\_\_\_\_  
 Grantor: Robert N. Ogden, Trustee  
 Grantee: James D. Hardin  
 Conveys: Interest in Certificate of Tax Sale

09/04/1909      Notice of Redemption of Sheriff's Certificate of Tax Sale  
 Recorded: 09/04/1909, Bk. 202, page 80  
 Redeemed: By James D. Hardin

11/25/1911      Treasurer's Deed, recorded 12/10/1982, #82-5704  
 Grantor: Treasurer, Lawrence County  
 Grantee: Lawrence County  
 Conveys: (for unpaid taxes, 1903) "Maverick, Pyrite, Pyrite Fr., Argo Fr., Luck (sic) Fr., Albert (sic) Fr., Irwin (sic) Fr., Albert (sic) Fr. No. 1, Alert, Adrian, Nevada, Summit, Union Hill and Corner Lode, M.S. 1134."  
 (Note: This deed was "lost" in Treasurer's office until 1982.)

Assignment, recorded \_\_\_\_\_  
 Grantor: James D. Hardin  
 Grantee: Black Hills Trust & Savings Bank

01/08/1912 Sheriff's Deed, recorded 01/09/1912, Bk. 209, page 268  
 Grantor: Sheriff of Lawrence County  
 Grantee: Union Trust Co.  
 Conveys: Interest of Branch Mint Mining & Smelting Co.  
 in Union, Lucky, Erwin & Adrian Fractions, and  
 other property

03/06/1912 Quit Claim Deed, recorded 04/25/1912, Bk. 209, page 384  
 Grantor: Union Trust Co.  
 Grantee: John Stokes Adams  
 Conveys: (4 fractions) and other property

03/11/1912 Quit Claim Deed, recorded 04/25/1912, Bk. 209, page 394  
 Grantor: Merchants Union Trust Co.  
 Grantee: John Stokes Adams  
 Conveys: (4 fractions) and other property

03/15/1913 Receiver's Deed, recorded 03/06/1913, Bk. 217, pg. 42  
 Grantor: Branch Mint Mining Co.  
 Grantee: Walter E. Graham  
 Conveys: (4 fractions) and other property

03/24/1913 Mining Deed, recorded 03/31/1913, Bk. 217, page 69  
 Grantor: John Stokes Adams  
 Grantee: Walter E. Graham  
 Conveys: (4 fractions) and other property

04/09/1915 Quiet Title Decree, recorded 05/06/1915, Bk. 217, page 607  
 Plaintiff: James D. Hardin  
 Defendant: Walter E. Graham  
 The court decreed that the defendant is the owner in fee  
 simple and in possession and entitled to the possession of  
 all the real estate described in plaintiff's complaint.

08/30/1917 Deed, recorded 08/30/1917, Bk. 222, page 562  
 Grantor: James D. Hardin  
 Grantee: Charles W. McCutcheon  
 Conveys: (4 fractions) and other property

10/11/1918 Marshal's Certificate of Sale, recorded 10/29/1918,  
 Bk. 219, page 337  
 Grantor: Marshal  
 Grantee: Union Trust Co.  
 Conveys: Interest of Branch Mint Mining & Milling Co.  
 in (4 fractions) and other property.

10/10/1919 Marshall's Deed, recorded 10/17/1919, Bk. 219, page 368  
 Grantor: Marshal  
 Grantee: Union Trust Co.  
 Conveys: Interest of Branch Mint Mining & Milling Co. in  
 (4 fractions) and other property.

12/09/1918      Treasurer's Certificate of Sale, recorded \_\_\_\_\_  
 Grantor: Treasurer, Lawrence County  
 Grantee: Joseph G. Lester  
 Conveys: Mineral Survey No. 1134

10/13/1924      Treasurer's Deed, recorded 10/13/1924, Book 238, page 276  
 Grantor: Treasurer, Lawrence County  
 Grantee: Joseph G. Lester  
 Conveys: M.S. 1134 per tax certificate dated 12/9/1918

12/13/1929      Treasurer's Deed, recorded 12/13/1929, Bk. 251, page 8  
 Grantor: Treasurer, Lawrence County  
 Grantee: Fred Borsch  
 Conveys: "Maverick, Pyrite, et al, Mineral Survey Number 1134, containing 119.20"

12/14/1929      Quit Claim Deed, recorded 03/04/1938, Bk. 261, page 580  
 Grantor: Fred Borsch  
 Grantee: Northwestern Iron & Metal Co.  
 Conveys: "All my right, title and interest to Maverick, Pyrite, et al, Mineral Survey Number 1134, containing 119.20 acres"

03/08/1930      Quit Claim Deed, recorded 03/08/1930, Bk. 241, page 393  
 Grantor: Fred Borsch  
 Grantee: The Northwestern Iron & Metal Co.  
 Conveys: Mineral Survey Number 161, Mineral Survey Number 1134

05/08/1930      Sheriff's Certificate of Sale, recorded 05/08/1930, Bk. 244, page 211  
 Grantor: Sheriff, Lawrence County  
 Grantee: Robert N. Ogden  
 Conveys: Interest of Union Trust Co. to Mineral Survey Number 1134

07/14/1938      Quit Claim Deed, recorded 05/01/1939, Bk. 273, page 236  
 Grantor: Maude D. Ogden  
 Grantee: D. Hill and Northwestern Iron & Metal Co.  
 Conveys: Mineral Survey Number 161, Mineral Survey Number 1134  
 (Note: D. Hill was President of Northwestern Iron & Metal Co.)

05/05/1939      Notice of Pendency of Action, recorded 05/06/1939, Bk. LP4, page 365  
 Plaintiff: Northwestern Iron & Metal Co.  
 Defendant: Galena Mining & Smelting Co., Union Trust Co., et al.  
 Gives notice of commencement of quiet title action.

05/08/1939      Quit Claim Deed, recorded 05/11/1939, Bk. 273, page 242  
 Grantor: D. Hill  
 Grantee: Northwestern Iron & Metal Co.  
 Conveys: Mineral Survey Number 161, Mineral Survey Number 1134

08/16/1939      Treasurer's Amended Deed, recorded 08/16/1939, Bk. 276, pages 53-54  
 Grantor: Treasurer, Lawrence County  
 Grantee: Fred Borsch  
 Conveys: Maverick, Pyrite, et al, Mineral Survey Number 1134, containing 119.20 acres.

08/16/1939 Judgment by Default, recorded 08/16/1939, Bk. 276, pages 54-57  
 Plaintiff: Northwestern Iron & Metal Co.  
 Defendants: Galena Smelting & Reduction Co., Union Trust Co.,  
 Edgemont and Union Hill Smelting Co., et al.  
 Conveys: To Plaintiff Mineral Survey Number 161, 15.02 acres,  
 and Mineral Survey Number 1134, 119.299 acres,  
 as described in patent recorded in Bk. 146,  
 pages 530-546.

02/28/1956 Mutual General Release, recorded 03/12/1956, Bk. 332, page 79  
 Grantor: Estate of William C. Bessler  
 Grantee: Ray Coppo, et ux.  
 Conveys: (by Quit Claim) Mineral Survey Number 1134, 119.299 acres

05/04/1959 Memorandum of Agreement and Option to Purchase, recorded  
 05/12/1959, Bk. 332, pages 79-81  
 Grantor: Ray Coppo, et ux.  
 Grantee: Yuba Consolidated Industries, Inc.  
 RE: Mineral Survey Number 1134

10/30/1964 Quit Claim Deed, recorded 2/18/1965  
 Grantor: Northwestern Metal Co., Inc.  
 Grantee: Northwestern Metal Company  
 Conveys: Mineral Survey Number 1134, 119.299 acres, as  
 described in Patent recorded in Bk. 146, pages 530-546  
 (and other property)

03/13/1968 Memorandum of Lease and Option to Purchase, recorded 05/09/1968,  
 Bk. 384, page 259  
 Grantor: Northwestern Metal Company  
 Grantee: Congdon & Carey Limited 3  
 RE: Mineral Survey Number 1134; individual claims listed  
 but not Union, Lucky, Adrian & Erwin Fractions

01/01/1974 Lease, recorded 07/02/1974, Bk. 415, page 355  
 Grantor: Ray Coppo, et ux  
 Grantee: Joe M. Kosel and Amanda Kosel dba National Enterprises, Inc.  
 RE: Mineral Survey Number 912

01/01/1974 Lease, recorded 07/02/1974, Bk. 415, page 363  
 Grantor: Ray Coppo, et ux  
 Grantee: National Enterprises, Inc.  
 RE: Mineral Survey Number 376, Silver Jack, Silver Jack #1

05/28/1974 Assignment, recorded 09/24/1974, Bk. 418, page 39  
 Grantor: National Enterprises, Inc.  
 Grantee: John M. Sailer  
 Conveys: A 5% interest of net mill run from:  
 a.) Millsite Triangle Parcel (Lot 346)  
 b.) Crown Point Lode (Mineral Survey 912)  
 c.) New Years Lode (as recorded in Bk. 343, page 456)  
 d.) Silver Jack, Silver Jack #1 (as recorded in Bk. 405, page 5)  
 e.) "a parcel known as Branch Mint, consisting of 119.99 acres, more or less, as recorded in Bk. 146, pages 530-546."

06/22/1974 Assignment, recorded 08/20/1974, Bk. 415, page 621  
 Grantor: National Enterprises Inc. (by Jackie Hieb, President)  
 Grantee: Phillip Eichorst  
 Conveys: A 6% interest of net mill run from (see Assignment dated 05/28/1974)

09/26/1974 Assignment, recorded 11/01/1974, Bk. 418, page 215  
 Grantor: John M. Sailer  
 Grantee: August Timpe and Irene Timpe  
 Conveys: A 1% interest of net mill run from (see Assignment dated 05/28/1974)

10/29/1974 Assignment, recorded 11/01/1974, Bk. 418, page 217  
 Grantor: John M. Sailer  
 Grantee: Raymond J. Berg and Mary Berg  
 Conveys: A 1% interest of net mill run from (see Assignment dated 05/28/1974)

11/25/1974 Assignment, recorded 12/02/1974, Bk. 418, page 358  
 Grantor: John M. Sailer  
 Grantee: Raymond J. Berg and Mary Berg  
 Conveys: A 1% interest of net mill run from (see Assignment dated 05/28/1974)

09/01/1976 Lease and Option to Purchase, recorded \_\_\_\_\_  
 Grantor: Northwestern Metal Company  
 Grantee: Congdon and Carey, Ltd. 5  
 RE: Mineral Survey Number 1134; individual claims listed but not lucky, Erwin Union and Adrian Fractions

## COMMENTS

1. No conveyance from H. Clinton Grable to Edgemont and Union Hill Smelting Co. or Galena Mining & Smelting Co. of unpatented Union Fraction Lode was found. Galena was the patentee at time of patent.
2. There are several spurious deeds referring to the "Union Link Fraction Lode, Mineral Survey Number 1134" in this chain of title (see 57/96, 219/96, 254/155, etc). The Union Link Fraction was located 11/23/1897, and recorded 11/24/1897, Bk. 133, page 199. The locator was Joseph King. It is described as joining the Dakota Maid Lode on the north. There is no record of this claim being patented, and is not the same claim as the Union Fraction, Mineral Survey Number 1134.
3. The chain of title becomes quite confused due to Treasurer's Deeds (for delinquent taxes) and also Marshall's Deeds (for mortgage foreclosures) involving Edgemont & Union Hill Smelting Co., Galena Mining and Smelting Co., and Branch Mint Mining and Smelting Co., This was apparently cured by the Treasurer's Deeds to Fred Borsch and the Quiet Title Decree of August 16, 1939.
4. A chain of title from William C. Bessler to Ray Coppo and thence to Yuba Consolidated Industries and National Enterprises, Inc. first appears on February 28, 1956, and ends on November 25, 1974. No evidence was found of William C. Bessler acquiring any interest in Mineral Survey Number 1134 back to January 1, 1939 (prior to the Quiet Title Decree of August 16, 1939). Bessler was not a Defendant in the Quiet Title Decree.
5. Ray Coppo died intestate 12/02/82, leaving an estimated \$164,888 estate to his widow and daughter. His assets as stated in the inventory included the following:
  - a.) his mill and equipment
  - b.) a leasehold interest in part of Mineral Survey 346 (Washington Lode) and Mineral Survey 161(Placer) per lease dated 4/23/1981 with Northwestern Metal Company
  - c.) joint ownership with Ethel Coppo of:
    - Mineral Survey 376 - New Years Lode
    - Mineral Survey 698 - Black Lode
    - Mineral Survey 912 - Crown Point Lode (undivided interest)All subject to Contract of Sale dated 9/17/1981. There is no mention in the probate file of any interest in Mineral Survey 1134
6. It appears that subject to the possible validity of interest of William C. Bessler and his successors, Northwestern Metal Company has valid title to all the claims included in Mineral Survey 1134 and Patent Number 32166, including the Lucky Fraction, Erwin Fraction, Adrian Fraction and Union Fraction Lodes.

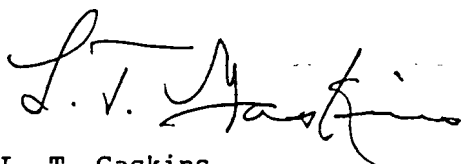
James H. Bird, Jr.  
February 15-16, 1983

Please render an opinion concerning this matter as soon as possible, or by no later than yesterday.

Another item of concern relating to the same topic, is that to our knowledge no document has been filed transferring 80% interest in the Northwestern Metal Lease With Option to Purchase to Cyprus from Congdon and Carey, Ltd. 5. We are on good terms with Northwestern Metal, according to Mr. Bird, so acquiring an amendment to the original Assignment of 80% Interest in Lease With Option to Purchase from Congdon and Carey should not pose a problem. However, since Congdon and Carey, Ltd. 5 has been merged into CoCa Mines Inc., will recording this document effectively transfer the aforementioned 80% interest in this leasehold?

Jim Bird has informed me that there may be up to four (4) more claims that should be on Northwestern's exhibit, which he is going to check out by running through court records in Deadwood, South Dakota.

Please let us know if you have any questions, and thank you.



L. T. Gaskins  
Mail Code S-253

Northwestern  
                    

Title Chain

Information

Title Insurance  
Information

patent @ 146/530-46

2/15/83

patent excludes  
conflict w/

MS 1042  
1225

CHAIN OF TITLE

Lucky, Erwin, Adrian and Union Fractions  
M. S. 1134, Patent No. 32166  
Gilt Edge, Lawrence County, South Dakota

01/01/1897      Location Certificate: Union Fraction  
Locator: H. Clinton Grable  
Recorded: 01/26/1897, Bk. 120, page 147

11/12/1897      Location Certificate: Adrian Fraction  
Locator: Edgemont & Union Hill Smelting Co.  
Recorded: 11/13/1897, Bk. 133, page 126

11/12/1897      Location Certificate: Erwin Fraction  
Locator: Edgemont & Union Hill Smelting Co.  
Recorded: 11/13/1897, Bk. 133, page 127

06/15/1898      Location Certificate: Lucky Fraction  
Locator: Edgemont & Union Hill Smelting Co.  
Recorded 09/12/1898, Bk. 137, page 463

07/10/1898      Deed, recorded 12/07/1898, Bk. 139, page 247  
Grantor: Edgemont & Union Hill Smelting Co.  
Grantee: John H. Graham & George A. Fletcher, Trustees  
(of Edgemont)  
Conveys: Adrian Fraction and other claims

11/21/1898      Mining Deed, recorded \_\_\_\_\_, Bk. 139, page 347  
Grantor: George A. Fletcher, Surviving Trustee  
Grantee: Galena Mining & Smelting Co.  
Conveys: Adrian Fraction, Erwin Fraction, Lucky Fraction,  
Union Fraction, and other claims

02/16/1900      Patent No. 32166, recorded 04/10/1900, Bk. 149 of Mis-  
cellaneous Deeds, pages 530-546  
Grantor: U.S.A.  
Grantee: Galena Mining & Smelting Co.  
Conveys: 20 Claims in M.S. 1134, including Lucky, Erwin,  
Adrian & Union Fractions

08/10/1903      Deed recorded 08/10/1903, Bk. 176, page 5  
Grantor: James D. Hardin  
Grantee: Branch Mint Mining & Milling Co.  
Conveys: Union, Lucky, Erwin & Adrian Fractions, and other  
property together with (Grantor's) interest which  
he may hereafter acquire under Option to Purchase  
dated 03/21/1903 with Percy S. Bickmore in which  
Bickmore agreed to sell Hardin "all of the properties  
..... heretofore owned by the Galena Mining and  
Smelting Co."

09/15/1903      Deed recorded 09/15/1903, Bk. 176, page 51  
 Grantor: Percy B. Bickmore, Receiver for Galena Mining & Smelting Co.  
 Grantee: Branch Mint Mining & Smelting Co.  
 Conveys: All of Galena's assets, including Union, Lucky, Erwin & Adrian Fractions

09/15/1903      Deed recorded 09/15/1903, Bk. 176, page 53  
 Grantor: Galena Mining & Smelting Co. (by Walter H. Graham, President)  
 Grantee: Branch Mint Mining & Smelting Co.  
 Conveys: Claims including Union, Lucky, Erwin, & Adrian Fractions

09/15/1903      Mortgage recorded 09/15/1903, Bk. 165, page 303  
 Mortgagor: Branch Mint Mining & Milling Co.  
 Mortgagee: Union Trust Co.  
 Pledges assets of Branch Mint, including Union, Lucky, Erwin & Adrian Fractions

07/09/1909      Sheriff's Certificate of Tax Sale, recorded \_\_\_\_\_  
 Conveys: Interest of Branch Mint Mining & Smelting Co. to Robert N. Ogden, Trustee

Assignment, recorded \_\_\_\_\_  
 Grantor: Robert N. Ogden, Trustee  
 Grantee: James D. Hardin  
 Conveys: Interest in Certificate of Tax Sale

09/04/1909      Notice of Redemption of Sheriff's Certificate of Tax Sale  
 Recorded: 09/04/1909, Bk. 202, page 80  
 Redeemed: By James D. Hardin

11/25/1911      Treasurer's Deed, recorded 12/10/1982, #82-5704  
 Grantor: Treasurer, Lawrence County  
 Grantee: Lawrence County  
 Conveys: (for unpaid taxes, 1903) "Maverick, Pyrite, Pyrite Fr., Argo Fr., Luck (sic) Fr., Albert (sic) Fr., Irwin (sic) Fr., Albert (sic) Fr. No. 1, Alert, Adrian, Nevada, Summit, Union Hill and Corner Lode, M.S. 1134."  
 (Note: This deed was "lost" in Treasurer's office until 1982.)

Assignment, recorded \_\_\_\_\_  
 Grantor: James D. Hardin  
 Grantee: Black Hills Trust & Savings Bank

01/08/1912 Sheriff's Deed, recorded 01/09/1912, Bk. 209, page 268  
 Grantor: Sheriff of Lawrence County  
 Grantee: Union Trust Co.  
 Conveys: Interest of Branch Mint Mining & Smelting Co.  
 in Union, Lucky, Erwin & Adrian Fractions, and  
 other property

03/06/1912 Quit Claim Deed, recorded 04/25/1912, Bk. 209, page 384  
 Grantor: Union Trust Co.  
 Grantee: John Stokes Adams  
 Conveys: (4 fractions) and other property

03/11/1912 Quit Claim Deed, recorded 04/25/1912, Bk. 209, page 394  
 Grantor: Merchants Union Trust Co.  
 Grantee: John Stokes Adams  
 Conveys: (4 fractions) and other property

03/15/1913 Receiver's Deed, recorded 03/06/1913, Bk. 217, pg. 42  
 Grantor: Branch Mint Mining Co.  
 Grantee: Walter E. Graham  
 Conveys: (4 fractions) and other property

03/24/1913 Mining Deed, recorded 03/31/1913, Bk. 217, page 69  
 Grantor: John Stokes Adams  
 Grantee: Walter E. Graham  
 Conveys: (4 fractions) and other property

04/09/1915 Quiet Title Decree, recorded 05/06/1915, Bk. 217, page 607  
 Plaintiff: James D. Hardin  
 Defendant: Walter E. Graham  
 The court decreed that the defendant is the owner in fee  
 simple and in possession and entitled to the possession of  
 all the real estate described in plaintiff's complaint.

08/30/1917 Deed, recorded 08/30/1917, Bk. 222, page 562  
 Grantor: James D. Hardin  
 Grantee: Charles W. McCutcheon  
 Conveys: (4 fractions) and other property

10/11/1918 Marshal's Certificate of Sale, recorded 10/29/1918,  
 Bk. 219, page 337  
 Grantor: Marshal  
 Grantee: Union Trust Co.  
 Conveys: Interest of Branch Mint Mining & Milling Co.  
 in (4 fractions) and other property.

10/10/1919 Marshall's Deed, recorded 10/17/1919, Bk. 219, page 368  
 Grantor: Marshal  
 Grantee: Union Trust Co.  
 Conveys: Interest of Branch Mint Mining & Milling Co. in  
 (4 fractions) and other property.

12/09/1918      Treasurer's Certificate of Sale, recorded \_\_\_\_\_  
 Grantor: Treasurer, Lawrence County  
 Grantee: Joseph G. Lester  
 Conveys: Mineral Survey No. 1134

10/13/1924      Treasurer's Deed, recorded 10/13/1924, Book 238, page 276  
 Grantor: Treasurer, Lawrence County  
 Grantee: Joseph G. Lester  
 Conveys: M.S. 1134 per tax certificate dated 12/9/1918

12/13/1929      { Treasurer's Deed, recorded 12/13/1929, Bk. 251, page 8  
 Grantor: Treasurer, Lawrence County  
 Grantee: Fred Borsch  
 Conveys: "Maverick, Pyrite, et al, Mineral Survey Number 1134,  
 containing 119.20"

12/14/1929      { Quit Claim Deed, recorded 03/04/1938, Bk. 261, page 580  
 Grantor: Fred Borsch  
 Grantee: Northwestern Iron & Metal Co.  
 Conveys: "All my right, title and interest to Maverick, Pyrite,  
 et al, Mineral Survey Number 1134, containing 119.20  
 acres"

03/08/1930      { Quit Claim Deed, recorded 03/08/1930, Bk. 241, page 393  
 Grantor: Fred Borsch  
 Grantee: The Northwestern Iron & Metal Co.  
 Conveys: Mineral Survey Number 161, Mineral Survey Number 1134

05/08/1930      { Sheriff's Certificate of Sale, recorded 05/08/1930, Bk. 244,  
 page 211  
 Grantor: Sheriff, Lawrence County  
 Grantee: Robert N. Ogden  
 Conveys: Interest of Union Trust Co. to Mineral Survey Number 1134

07/14/1938      Quit Claim Deed, recorded 05/01/1939, Bk. 273, page 236  
 Grantor: Maude D. Ogden      *wife - widow - what ?*  
 Grantee: D. Hill and Northwestern Iron & Metal Co.  
 Conveys: Mineral Survey Number 161, Mineral Survey Number 1134  
 (Note: D. Hill was President of Northwestern Iron & Metal Co.)

05/05/1939      Notice of Pendency of Action, recorded 05/06/1939, Bk. LP4,  
 page 365  
 Plaintiff: Northwestern Iron & Metal Co.  
 Defendant: Galena Mining & Smelting Co., Union Trust Co., et al.      *Ogden not included as defendant*  
 Gives notice of commencement of quiet title action.

05/08/1939      Quit Claim Deed, recorded 05/11/1939, Bk. 273, page 242  
 Grantor: D. Hill  
 Grantee: Northwestern Iron & Metal Co.  
 Conveys: Mineral Survey Number 161, Mineral Survey Number 1134

08/16/1939      Treasurer's Amended Deed, recorded 08/16/1939, Bk. 276, pages 53-54  
 Grantor: Treasurer, Lawrence County  
 Grantee: Fred Borsch  
 Conveys: Maverick, Pyrite, et al, Mineral Survey Number 1134,  
 containing 119.20 acres.

08/16/1939 Judgment by Default, recorded 08/16/1939, Bk. 276, pages 54-57  
 Plaintiff: Northwestern Iron & Metal Co.  
 Defendants: Galena Smelting & Reduction Co., Union Trust Co.,  
 Edgemont and Union Hill Smelting Co., et al.  
 Conveys: To Plaintiff Mineral Survey Number 161, 15.02 acres,  
 and Mineral Survey Number 1134, 119.299 acres,  
 as described in patent recorded in Bk. 146,  
 pages 530-546.

02/28/1956 Mutual General Release, recorded 03/12/1956, Bk. 332, page 79  
 Grantor: Estate of William C. Bessler  
 Grantee: Ray Coppo, et ux.  
 Conveys: (by Quit Claim) Mineral Survey Number 1134, 119.299 acres

05/04/1959 Memorandum of Agreement and Option to Purchase, recorded  
 05/12/1959, Bk. 332, pages 79-81  
 Grantor: Ray Coppo, et ux.  
 Grantee: Yuba Consolidated Industries, Inc.  
 RE: Mineral Survey Number 1134

10/30/1964 Quit Claim Deed, recorded 2/18/1965  
 Grantor: Northwestern Metal Co., Inc.  
 Grantee: Northwestern Metal Company  
 Conveys: Mineral Survey Number 1134, 119.299 acres, as  
 described in Patent recorded in Bk. 146, pages 530-546  
 (and other property)

03/13/1968 Memorandum of Lease and Option to Purchase, recorded 05/09/1968,  
 Bk. 384, page 259  
 Grantor: Northwestern Metal Company  
 Grantee: Congdon & Carey Limited 3  
 RE: Mineral Survey Number 1134; individual claims listed  
 but not Union, Lucky, Adrian & Erwin Fractions

01/01/1974 Lease, recorded 07/02/1974, Bk. 415, page 355  
 Grantor: Ray Coppo, et ux  
 Grantee: Joe M. Kosel and Amanda Kosel dba National Enterprises, Inc  
 RE: Mineral Survey Number 912

01/01/1974 Lease, recorded 07/02/1974, Bk. 415, page 363  
 Grantor: Ray Coppo, et ux  
 Grantee: National Enterprises, Inc.  
 RE: Mineral Survey Number 376, Silver Jack, Silver Jack #1

*Unreleased  
 of record*

05/28/1974 Assignment, recorded 09/24/1974, Bk. 418, page 39  
 Grantor: National Enterprises, Inc.  
 Grantee: John M. Sailer  
 Conveys: A 5% interest of net mill run from:  
 a.) Millsite Triangle Parcel (Lot 346)  
 b.) Crown Point Lode (Mineral Survey 912)  
 c.) New Years Lode (as recorded in Bk. 343, page 456)  
 d.) Silver Jack, Silver Jack #1 (as recorded in Bk. 405, page 5)  
 e.) "a parcel known as Branch Mint, consisting of 119.99 acres, more or less, as recorded in Bk. 146, pages 530-546."

06/22/1974 Assignment, recorded 08/20/1974, Bk. 415, page 621  
 Grantor: National Enterprises Inc. (by Jackie Hieb, President)  
 Grantee: Phillip Eichorst  
 Conveys: A 6% interest of net mill run from (see Assignment dated 05/28/1974)

09/26/1974 Assignment, recorded 11/01/1974, Bk. 418, page 215  
 Grantor: John M. Sailer  
 Grantee: August Timpe and Irene Timpe  
 Conveys: A 1% interest of net mill run from (see Assignment dated 05/28/1974)

10/29/1974 Assignment, recorded 11/01/1974, Bk. 418, page 217  
 Grantor: John M. Sailer  
 Grantee: Raymond J. Berg and Mary Berg  
 Conveys: A 1% interest of net mill run from (see Assignment dated 05/28/1974)

11/25/1974 Assignment, recorded 12/02/1974, Bk. 418, page 358  
 Grantor: John M. Sailer  
 Grantee: Raymond J. Berg and Mary Berg  
 Conveys: A 1% interest of net mill run from (see Assignment dated 05/28/1974)

09/01/1976 Lease and Option to Purchase, recorded \_\_\_\_\_  
 Grantor: Northwestern Metal Company  
 Grantee: Congdon and Carey, Ltd. 5  
 RE: Mineral Survey Number 1134; individual claims listed but not lucky, Erwin Union and Adrian Fractions

## COMMENTS

1. No conveyance from H. Clinton Grable to Edgemont and Union Hill Smelting Co. or Galena Mining & Smelting Co. of unpatented Union Fraction Lode was found. Galena was the patentee at time of patent.
2. There are several spurious deeds referring to the "Union Link Fraction Lode, Mineral Survey Number 1134" in this chain of title (see 57/96, 219/96, 254/155, etc). The Union Link Fraction was located 11/23/1897, and recorded 11/24/1897, Bk. 133, page 199. The locator was Joseph King. It is described as joining the Dakota Maid Lode on the north. There is no record of this claim being patented, and is not the same claim as the Union Fraction, Mineral Survey Number 1134.
3. The chain of title becomes quite confused due to Treasurer's Deeds (for delinquent taxes) and also Marshall's Deeds (for mortgage foreclosures) involving Edgemont & Union Hill Smelting Co., Galena Mining and Smelting Co., and Branch Mint Mining and Smelting Co., This was apparently cured by the Treasurer's Deeds to Fred Borsch and the Quiet Title Decree of August 16, 1939.
4. A chain of title from William C. Bessler to Ray Coppo and thence to Yuba Consolidated Industries and National Enterprises, Inc. first appears on February 28, 1956, and ends on November 25, 1974. No evidence was found of William C. Bessler acquiring any interest in Mineral Survey Number 1134 back to January 1, 1939 (prior to the Quiet Title Decree of August 16, 1939). Bessler was not a Defendant in the Quiet Title Decree.
5. Ray Coppo died intestate 12/02/82, leaving an estimated \$164,888 estate to his widow and daughter. His assets as stated in the inventory included the following:
  - a.) his mill and equipment
  - b.) a leasehold interest in part of Mineral Survey 346 (Washington Lode) and Mineral Survey 161(Placer) per lease dated 4/23/1981 with Northwestern Metal Company
  - c.) joint ownership with Ethel Coppo of:
    - Mineral Survey 376 - New Years Lode
    - Mineral Survey 698 - Black Lode
    - Mineral Survey 912 - Crown Point Lode (undivided interest)All subject to Contract of Sale dated 9/17/1981. There is no mention in the probate file of any interest in Mineral Survey 1134
6. It appears that subject to the possible validity of interest of William C. Bessler and his successors, Northwestern Metal Company has valid title to all the claims included in Mineral Survey 1134 and Patent Number 32166, including the Lucky Fraction, Erwin Fraction, Adrian Fraction and Union Fraction Lodes.

James H. Bird, Jr.  
February 15-16, 1983

ABBREVIATED CHAIN OF TITLE:  
HOODOO - UNION HILL GROUP  
Mineral Survey No. 1134  
20 Lode Claims, 119.299 Acres:

|                      |                 |
|----------------------|-----------------|
| Adrian Fraction      | Maverick        |
| Alert                | May             |
| Alert Fraction       | May Fraction    |
| Alert Fraction No. 1 | Nevada          |
| Argo Fraction        | Pyrite          |
| Comet                | Pyrite Fraction |
| Erwin Fraction       | South Ruby      |
| Eureka               | Summit          |
| Hoodo                | Union Fraction  |
| Lucky Fraction       | Union Hill      |

- 2/16/1900 - U.S.A. to Galena Mining & Smelting Co.
- 9/15/1903 - Galena Mining & Smelting Co. to Branch Mint Mining & Smelting Co.
- 11/25/1911 - Treasurer, Lawrence County, to Lawrence County (interest of Branch Mint, per Tax Certificate dated 11/7/1904)
- 1/18/1912 - Sheriff, Lawrence Co., to Union Trust Co. (interest of Branch Mint)
- 4/25/1912 - Merchants Union Trust Co. to John Stokes Adams
- 3/15/1913 - Branch Mint (by receiver) to Walter E. Graham
- 3/24/1913 - John Stokes Adams to Walter E. Graham
- 8/30/1917 - James D. Hardin to Charles W. McCutcheon
- 10/10/1919 - U.S. Marshall to Union Trust Co. (interest on Branch Mint)
- 10/13/1924 - Treasurer, Lawrence Co. to Joseph G. Lester (per tax certificate dated 12/9/1918)
- 12/13/1929 - Treasurer, Lawrence Co. to Fred Borsch (per tax certificate dated 12/13/1926)
- 12/14/1929 - Fred Borsch to Northwestern Iron & Metal Co. (predecessor of Northwestern Metal Co.)
- 3/13/1968 - Mining Lease with option to purchase, from Northwestern Metal Co. to Congdon & Carey Limited (Partnership) 3
- 4/1/1974 - Mining Lease, from Northwestern Metal Co. to Jakie Hieb

- 8/12/1976 - Notification of termination of lease for default, from Northwestern Metal Co. to Jackie Hieb
- 9/1/1976 - Mining lease with option to purchase, from Northwestern Metal Co. to Congdon & Carey Ltd. (Partnership) 5
- 9/27/1976 - Assignment of mining lease dated 9/1/1976 to Joint Venture (80% Cyprus Mines Corp., 20% Congdon & Carey) per Agreement dated 1/1/1975
- 12/31/1982 - Assignment of 20% interest in mining lease dated 9/1/76 from Congdon & Carey Ltd. 5 to CoCa Mines Inc.
- 6/1/1983 - Assignment of interest in mining lease dated 9/1/76 from CoCa Mines Inc. and Cyprus Mines Corp. to Lacana Mining Inc.

RELEASE OF ASSIGNMENT

I, John M. Sailer of Bismarck, North Dakota, do hereby release and surrender unto National Enterprises Inc., a North Dakota Corporation all my right, title and interest into a certain assignment dated May 28, 1974, recorded September 24, 1974 in Book 416 at page 39 covering the following:

All properties are located in Bear Butte Mining District, and situated in Lawrence County, South Dakota.

A. Mallislet Triangle Parcel, a part of Lot 346 of the official United States Survey, also known as Washington Lode, as recorded in Book 29, Pages 84 through 87;

B. A parcel known as Crown Point Lode, located in section 6, Township 4, Range 4, and consisting of 10.11 acres, more or less, and also referred to as No. 912 Crown Point Lode.

C. A parcel known as New Year's Lode, consisting of 10.08 acres, more or less, as recorded in Book 343, Page 456.

D. Parcels known as Silver Jack and Silver Jack #1, consisting of 20 acres, more or less, as recorded in Book 405, Page 5 and

E. A parcel known as Branch Mint, consisting of 119.99 acres, more or less, as recorded in Book 136, pages 530 through 546.

Executed this 1st day of December, 1978.

John M. Sailer  
John M. Sailer

Subscribed and sworn to before me, Lois A. Kasper, a Notary Public in and for Morton County, North Dakota, my Commission Expires September 28, 1983. Lois A. Kasper

# 186813✓

JUDGMENT

JOHN J. SCHLAWIG et al

TO

NORTHWESTERN IRON AND  
METAL COMPANY

Filed for record this  
16th day of Aug. 1939  
at 3:17 o'clock P. M

Ben R. Stone Jr  
Register of Deeds

IN THE CIRCUIT COURT OF THE EIGHTH JUDICIAL CIRCUIT WITHIN  
AND FOR THE COUNTY OF LAWRENCE, STATE OF SOUTH DAKOTA.

NORTHWESTERN IRON AND METAL COMPANY, a corporation, Plaintiff,

-vs-

JOHN J. SCHLAWIG, also known as J. J. Schlawig; ALVIN FOX;  
CHARLES W. McCUTCHEN; WALTER E. GRAHAM; JOSEPH G. LESTER;  
J. W. FARGO; AUGUST SCHUSTER; A. N. SCHUSTER; ROBERT LORTON;  
ARCHIBALD O. WYATT; ROBERT HUNTER; WILLIAM M. BLAKE; HORATIO  
D. VAN SYCKEL; PHILIP S. VAN CISE and ETHEL VAN CISE, heirs  
of Edwin Van Cise and Adele Van Cise, decedents; MICHAEL DUG-  
GAN, also known as Michael Duggan; JOHN OLESON; DANIEL EGAN;  
SARAH P. McLAUGHLIN, sole heir and devisee of Daniel McLaugh-  
lin, Ellen McLaughlin, Daniel J. McLaughlin and William L. Mc-  
Laughlin, decedents; CAROLINE C. STEELE, heir of William R.  
Steele, deceased; M. McCormick; JOHN H. DAVEY; HESTER A. DAVEY;  
EDWARD R. PAINE; CLARENCE H. SCHRYMSER; HENRY EARLE; ORANGE J.  
SALISBURY; JOHN H. GRAHAM; FRANK WAGGONER; O. P. JOHNSTON;  
G. B. DARNABY; HENRY ROSENKRANZ; JACOB SHUGART; ABNER D.  
STEWART; JOHN COSTELLO, also known as John Castello; CHARLES  
FRANCIS; JOHN H. GRAHAM and GEORGE A. FLETCHER, trustees;  
GALENA SMELTING AND REDUCTION COMPANY, a corporation; THE  
DEADWOOD CENTRAL RAILROAD COMPANY, a corporation; UNION TRUST  
COMPANY, a corporation; LAWRENCE COUNTY, a Municipal corpora-  
tion of the State of South Dakota; UNITED STATES FIDELITY AND  
GUARANTY COMPANY, a corporation; EDMONTON AND UNION HILL SMELT-  
ING COMPANY, a corporation; and THE MINNESOTA LOAN AND TRUST  
COMPANY, a corporation; and executors, administrators, heirs-  
at-law, devisees, legatees and creditors of any of the afore-  
said described persons, who may be deceased, and all persons  
unknown who have or claim to have any interest or estate in  
or lien or encumbrance upon the premises described in the com-  
plaint in the above entitled action,

Defendants.

JUDGMENT

BY

DEFAULT

Book 276 -

Page 54

DATED 8/16/39

REC. 8/16/39

COPY

No Ogden

Now on this 16th day of August, 1939, this cause came on to be heard, the plaintiff appearing by and through its attorney, Francis J. Parker, but the defendants being duly called, appeared not but make default; whereupon, this cause is submitted to this Court upon the proof of service of the Summons and Complaint and the evidence produced and adduced at such hearing, on consideration whereof the Court finds:

I.

That the Summons and Complaint in said action were duly and personally served upon the defendant, Lawrence County, a municipal corporation of the State of South Dakota, by Ted J. Kelley, as deputy sheriff of Lawrence County, South Dakota,

## MISCELLANEOUS DEED RECORD No. 276

LAWRENCE COUNTY, SOUTH DAKOTA

by personally delivering to and leaving with James L. Curran, as Chairman of the Board of County Commissioners within and for Lawrence County, South Dakota, at Lead, South Dakota, a copy of said Summons and Complaint, on the 11th day of May, 1939; as evidenced by his certificate as to such service herein on file and attached to the original Summons and Complaint, and incorporated herein by reference thereto, and the defendant, J. W. Fargo, was on May 26th, 1939, in the City of Hot Springs, Fall River County, South Dakota, duly and personally served with a copy of the Summons and Complaint herein, as evidenced by the certificate of such service of Wm. Andre, sheriff of said County and State, which said certificate is attached to the original Summons and Complaint herein on file and incorporated herein by reference thereto.

II.

That the Summons and Complaint in said action were duly served upon the remaining defendants in the above entitled action, in pursuance to an Order for such purpose issued out of this Court on the 19th day of June, 1939, on file herein, to-wit: said Summons was published upon the same day of each respective week, to-wit, on Friday, for four successive and consecutive weeks in the Black Hills Weekly, a legal newspaper printed and published in the City of Deadwood, County of Lawrence and State of South Dakota, said publication having been made on the following inclusive dates, to-wit: June 23rd, June 30th, July 7th and July 14th, 1939; that copies of said Summons and Complaint were on the 23rd day of June, 1939, mailed to the last known places of residence and post office addresses of the following named defendants, to-wit:

John J. Schlawig, also known as J. J. Schlawig, Sioux City, Iowa;  
Stewart Fox, Los Angeles, California;  
Charles W. McCutchen, 95 Broad Street, New York City, New York;  
Walter E. Graham, 3101 Chestnut Street, Philadelphia, Pennsylvania;  
Joseph G. Lester, Philadelphia, Pennsylvania;  
August Schuster, )  
A. N. Schuster, )  
Robert Lorton, )  
Archibald O. Wyatt, )  
Robert Hunter, )  
William M. Blake, )  
Horatio D. Van Syckel, )  
Michael Duggan, also known as Michael Duggan, )  
John Oleson, )  
Daniel Egan, ) Galena, South Dakota;  
M. McCormick, )  
John H. Davey, )  
Hester A. Davey, )  
Frank Waggoner, )  
O. P. Johnston, )  
Abner D. Stewart, )  
C. B. Darnaby, )  
Galena Smelting and Reduction Company, a corporation, )  
Philip S. Van Cise, Galard Avenue, Denver, Colorado;  
Ethel Van Cise, Galard Avenue, Denver, Colorado;  
Sarah McLaughlin, 546 La Loma Road, Pasadena, California;  
Caroline C. Steele, Tiffin, Ohio;  
Edward R. Paine, Milwaukee, Wisconsin;  
Clarence H. Scrymser, New York City, New York;  
Henry Earle, Brooklyn, New York;  
Orange J. Salisbury, Salt Lake City, Utah;  
John H. Graham, 95 Broad Street, New York City, New York;  
George A. Fletcher, Philadelphia, Pennsylvania;  
Henry Rosencranz, Central City, South Dakota;  
John Costello, also known as John Castello, Central City, South Dakota;  
Jacob Shugart, Deadwood, South Dakota;  
The Deadwood Central Railroad Company, a corporation, Deadwood, South Dakota;  
Mrs. Henry Perkins, Los Angeles, California;  
Integrity Trust Company, a corporation, successor to Union Trust Company, a corporation,  
S. W. Corner 16th and Walnut Streets, Philadelphia, Pennsylvania;  
Edgemont and Union Hill Smelting Company, 915 Steven Girard Building, Philadelphia, Pennsylvania;  
Northwestern National Bank and Trust Company, a corporation, successor to Minnesota Loan and Trust  
Company, a corporation, Minneapolis, Minnesota,

and were deposited in the United States Post Office in the City of Deadwood, Lawrence County, South Dakota, directed to each of said last named defendants at their respective post office addresses, as aforesaid, and prepaid the postage thereon.

### III.

That more than thirty days have elapsed and expired since the completed personal service of said Summons and Complaint upon the following named defendants, to-wit: Lawrence County, a Municipal corporation of the State of South Dakota, and J. W. Fargo, and more than thirty days have elapsed and expired since the completed service of said Summons by publication and mailing and more than twenty days have expired since the filing of the original Summons and Complaint herein; that no answer or demurrer has been received herein, nor an appearance in any manner made by said defendants, or either of them.

## IV.

That immediately upon the filing of the Complaint in the Circuit Court in the above entitled action,

## MISCELLANEOUS DEED RECORD No. 276

LAWRENCE COUNTY, SOUTH DAKOTA

the plaintiff on the 6th day of May, 1939, caused to be recorded in the Register of Deeds office of Lawrence County, at Deadwood, South Dakota, in LP Book 4, at Page 365, a notice of the pendency of the above entitled action, as required by section 37.1513, South Dakota Code of 1939.

V.

That all of the allegations of the Complaint, and each thereof, are true, and that the plaintiff is and was at the time of the commencement of this action the owner of the real properties hereinafter described, and that the defendants and each of them are proper parties to this action, and that the plaintiff is entitled to the relief demanded in the Complaint.

VI.

That the plaintiff has heretofore executed a bond of indemnity in the sum of \$2,000 to the defendants in this action, for the purposes enumerated in Section , South Dakota Code of 1939, as required by the Court.

NOW, THEREFORE, on motion of Francis J. Parker, attorney for plaintiff, it is hereby

ORDERED, CONSIDERED, ADJUDGED and DECREED that the plaintiff above named is, and was at the time of the commencement of this action, the owner in fee simple and in possession of and entitled to the possession of the following described lands and premises, situated in Lawrence County, South Dakota, to-wit:

That certain triangular piece or parcel of ground upon which the Davey Smelter is situated, being a part of Mineral Lot No. 346 of the Official Surveys of the United States and otherwise known as the Washington Lode and more particularly described as follows, to-wit: Commencing at a point on said Lot No. 346 from which Corner No. 2 of said lot bears South  $87^{\circ} 30'$  E. 190 ft. distant, running North  $2^{\circ} 10'$  W. 158 Ft., thence South  $88^{\circ} W.$  235 feet, thence South  $80^{\circ} E.$  200 feet and containing an area of 0.38 acres, situated in Bear Butte Mining District.

and

That certain Placer Mining Claim designated by the Surveyor General as Lot Number 161, containing 15.02 acres of land, more or less, located in the Bear Butte Mining District, metes and bounds description thereof being embraced in the United States Patent therefor of record in Book 29, at pages 54 to 57, inclusive, of the Register of Deeds office of the aforesaid County and state, which said record description is made a part hereof by reference thereto and an undivided one-half of a certain water right and water ditch known as the Ruby water right and ditch,

and

Those certain mining claims or premises known as the Maverick et al lodes designated by the Surveyor General as Lot Numbered 1134, containing 119.299 acres of land, more or less, located in the Bear Butte Mining District, metes and bounds description thereof being embraced in the United States Patent therefor of record in Book 146 at pages 530 to 546, inclusive, of the Register of Deeds office of the aforesaid county and state, which record description is made a part hereof by reference thereto,

together with all and singular the tenements, hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion, remainder and remainders, rents, issues and profits thereof; that the defendants above named and the executors, administrators, heirs-at-law, devisees, legatees and creditors of any of the aforesaid described persons who may be deceased, and all persons unknown who have or claim to have any interest or estate in, or encumbrance upon the premises described in the complaint in the above entitled action, and each of them, who have or claim to have any interest or lien or estate in or encumbrance upon the aforesaid described real properties, and all persons claiming, through or under them or either of them, are hereby perpetually enjoined from asserting any right, title, interest or claim in or to the real property as aforesaid described, or any portion thereof, and the title of the said plaintiff, Northwestern Iron and Metal Company, a corporation, and its right of possession of the said real properties aforesaid described is hereby quieted and confirmed in it.

It is FURTHER ORDERED that the plaintiff cause to be filed in the Register of Deeds office within and for Lawrence County, South Dakota, a certified copy of this decree.

MEMORANDUM OF AGREEMENT

MEMORANDUM OF AGREEMENT, dated May 4, 1959, between RAY COPPO and ETHEL V. COPPO, his wife, ("Coppo") and YUBA CONSOLIDATED INDUSTRIES, INC., ("Yuba").

1. Coppo and Yuba have entered into an Agreement and Option, dated May 4, 1959, in which Coppo have granted to Yuba the option to purchase the real property situated in the County of Lawrence, State of South Dakota, described as follows:

Those certain premises designated by the Surveyor General as Lot No. 1134, containing 119.299 acres of land more or less, located in the Bear Butte Mining District, metes and bounds description thereof being embraced in the United States Patent therefor of record in Book 149 at Pages 530 to 546 inclusive of the Register of Deed's office of Lawrence County, State of South Dakota, which record description is made a part hereof by reference thereto, together with all water rights, if any, appurtenant thereto, (herein called the "Property"),

on the terms and conditions set forth in said Agreement and Option.

2. Said Agreement and Option further provides that if Yuba exercises said option, Yuba shall have the exclusive right to the possession of the Property and the exclusive right to prospect, develop and mine the Property.

3. Until such time as either (i) the Coppo shall record a deed which conveys the Property to Yuba or (ii) Yuba shall record a Quitclaim Deed which conveys its interest in the Property to Coppo:

(a) Yuba and Coppo, or Yuba alone, shall have the exclusive right to the possession of the Property and the exclusive right to prospect, develop and mine the Property; and

(b) Yuba shall have the exclusive right to acquire the Coppo title to the Property,

all on the terms and conditions set forth in said Agreement and Option.

4. Said Agreement and Option is binding upon and inures to the benefit of the respective heirs, personal representatives, successors and assigns of Coppo and the successors and assigns of Yuba.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Agreement as of the date first above written.

YUBA CONSOLIDATED INDUSTRIES, INC.

By C. T. Thacker  
Its Vice President

And [Signature]  
Its Secretary

Ray Coppo  
RAY COPPO

Ethel V. Coppo  
ETHEL V. COPPO

STATE OF SOUTH DAKOTA )  
 ) SS  
 COUNTY OF )

On this, the 4th day of May, 1959, before me, the under-  
 signed officer, personally appeared RAY COPPO and ETHEL V. COPPO, known to  
 me or satisfactorily proven to be the persons whose names are subscribed to  
 the within instrument and acknowledged that they executed the same for the  
 purpose therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My commission expires:  
June 14th 1960.

Francis J. Berke  
 Notary Public

212917

STATE OF CALIFORNIA )  
 ) SS  
 CITY AND COUNTY OF SAN FRANCISCO)

May 12  
 59 3125  
 3112

Millard R. Parker  
 By Family Allison

On this, the 4th day of May, 1959, before me, Alberta

Sandin, a Notary Public, in and for the City and  
 County of San Francisco, State of California, residing therein, duly com-  
 missioned and sworn, personally appeared C. P. Thacher  
 and E. K. Allison, known to me to be, respectively, the  
Vice President and the Secretary of the corporation  
 described in and that executed the within instrument, and also known to me  
 to be the persons who executed the within instrument on behalf of the corpo-  
 ration therein named, and acknowledged to me that such corporation executed  
 the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my  
 official seal in the City and County of San Francisco the day and year in  
 this agreement first above written.



Alberta Sandin  
 Notary Public in and for the City and  
 County of San Francisco, State of  
 California

My Commission Expires October 10, 1962

Dtd. 10/30/64

REV. 2/18/75

BOOK 372 PAGE 200

## QUIT CLAIM DEED

Northwestern Metal Company, Inc., a Nebraska corporation organized and existing under the laws of the State of Nebraska, with its principal place of business in the City of Lincoln, County of Lancaster, State of Nebraska, for and in consideration of the sum of One and No/100 (\$1.00) Dollars and other valuable considerations, receipt whereof is hereby acknowledged, conveys and quit claims to Northwestern Metal Company, a corporation organized under the corporation laws of the State of Nebraska with its principal place of business in the City of Lincoln, Lancaster County, Nebraska, grantee, all the right, title and interest which Northwestern Metal Company, Inc., the grantor herein, now has and owns and heretofore acquired by deed or otherwise in and to the following described real estate situated in Lawrence County, South Dakota, and every part thereof, to-wit:

Mineral Survey No. 1263, commonly known as the Branch Mint, Horn Silver, Silver Crown, Golden Crown, Golden Crown No. 2, and Fire Clay Lodes, consisting of 47.932 acres, patent for which is recorded in Book 149, at Page 546, in the Office of the Register of Deeds, in Deadwood, Lawrence County, South Dakota, situated in the Bear Butte Mining District.

## Tract 1.

Those certain premises designated by the Surveyor General as Lot No. 1134, containing 119.299 acres of land more or less, located in the Bear Butte Mining District, metes and bounds, description thereof being embraced in the United States Patent therefor of record in Book 146 at Pages 530 to 546 inclusive of the Register of Deeds office of Lawrence County, State of South Dakota, which record description is made a part thereof by reference thereto.

## Tract 2.

That certain triangler parcel of ground being a part of Lot 346 of the Official Surveys of the United States and otherwise known as the Washington Lode and more particularly described as follows, to-wit: Commencing on Lot 346 from which corner No. 2 of said lot bears South 87° 30' E. 190 ft. distant, running North 2° 10' W. 158 ft., thence South 58° W. 233 ft. thence South 80° E. 200 feet and containing an area of approximately 0.38 acres situated in Lawrence County, South Dakota, and

That certain Placer Mining Claim designated by the Surveyor General as Lot No. 161, containing 15.02 acres of land more or less as is more fully described by metes and bounds in the United States Patent, therefore recorded in Book 29, at Pages 84 to 87 inclusive in the Register of Deeds Office in the County of Lawrence, State of South Dakota.

TO HAVE AND TO HOLD the premises above described, together with all tenements, hereditaments and appurtenances thereunto belonging unto the said Northwestern Metal Company and the said Northwestern Metal Company, Inc. for itself and its successors does hereby agree that neither it nor any person in its name or behalf shall or will hereafter claim or demand any title or title to said premises or any part thereof, but that each and every one of them shall by these presents excluded and forever barred.

In testimony whereof, the said Northwestern Metal Company, Inc. has caused these presents to be signed by its President and its

corporate seal affixed hereto this 30<sup>th</sup> day of October, 1964.

NORTHWESTERN METAL COMPANY, INC.

By \_\_\_\_\_  
President

Attest: [Signature]  
Secretary

State of Nebraska )  
County of Lancaster ) ss.

On this 30<sup>th</sup> day of October, 1964, before me the undersigned a notary public in and for said county personally came Harold Hill, President of Northwestern Metal Company, Inc., to me personally known to be the President and identical person whose name is affixed to the above conveyance and acknowledged the execution thereof to be his voluntary act and deed as such officer and the voluntary act and deed of said Northwestern Metal Company, Inc., and that the corporate seal of Northwestern Metal Company, Inc. was thereto affixed by its authority.

Witness my hand and notarial seal at Lincoln in said county the day and year last above written.

[Signature]  
Notary Public

My commission expires the 2<sup>nd</sup> day of January, 1965.

231155  
Office of Secretary of State  
State of South Dakota  
County of Lawrence  
Filed for record this 18 day of Feb 1965 at 11:12  
and recorded in Book No. 372 Page 200  
[Signature]  
Secretary of State

... doesn't fit, but  
Perhaps the names  
are familiar to  
someone

# ASSIGNMENT

National Enterprises Inc., a North Dakota Corporation does, hereby assign to Phillip Eichhorst of Washburn, North Dakota for services to be rendered, a six per cent (6%) interest of net mill run from the following mining leases held by National Enterprises Inc.:

All properties leased are located in the Bear Butte Mining District, and situated in Lawrence County, South Dakota.

A. Millsite Triangle Parcel, a part of lot 346 of the official United States Survey, also known as Washington Lode, as recorded in Book 29, pages 84 through 87;

B. A parcel known as Crown Point Lode, located in Section 8, Township 4, Range 4, and consisting of 10.11 acres, more or less, and also referred to as MS. 912 Crown Point Lode;

C. A parcel known as New Year's Lode, consisting of 10.08 acres, more or less, as recorded in Book 343, page 456;

D. parcels known as Silver Jack and Silver Jack #1, consisting of 20 acres, more or less, as recorded in Book 405, page 5; and

E. a parcel known as Branch Mint, consisting of 119.99 acres, more or less, as recorded in Book 146, pages 530 through 546.

Waggoner-Cypress

Commonw.

M.S. 1134

Office of the Register of Deeds  
State of South Dakota  
County of Lawrence  
as of the 1st day of May 1974  
and recorded in Book No. 415 Page 621  
Deputy  
Register of Deeds

This assignment or any part hereof may be assigned to heirs and or successors, etc.

June 22, 1974  
Jackie Hieb, President  
National Enterprises Inc.

BOOK 415 PAGE 621

James H. Hieb  
William P. Haley

## QUIT CLAIM DEED RECORD No. 261

Book 261 Page 580

DTP. 12/14/29

REC 3/4/38

# 184225

WILL A. BEACH PRINTING CO., SIOUX FALLS, S. D. — 58588

Fred Borsch

TO

Northwestern Iron and Metal  
CompanyFiled for record this 4th day  
of March 1938, at  
1 o'clock and 20 minutes P. M.Ben R. Stone Jr.  
Register of Deeds.

By Deputy.

FRED BORSCH

Grantor.

of LAWRENCE County,  
State of South Dakota, for and in consideration of  
One dollar and other valuable consideration

CONVEYS AND QUIT-CLAIMS TO

Northwestern Iron and Metal Company a Corporation

the Grantee.

of Lincoln, Nebraska P. O.,

all interest in the following described real estate in the County of Lawrence, in the State of South Dakota.

All my right title and interest to Maverick, Pyrite ET AL Mineral Survey number  
Eleven Hundred Thirty Four (1134) containing 119.20 acres.

Dated this fourteenth day of December, 1929

Fred Borsch

STATE OF SOUTH DAKOTA,

County of Lawrence

ss.

On this fourteenth day of December, in the year 1929 before me

Geo. H. Wolfe, a Notary Public within and for said County and State, personally appeared

Fred Borsch

known to me to be the person who is described in and who executed the within and foregoing instrument,  
and acknowledged to me that he executed the same.

My commission expires January 19th 1931

Geo. H. Wolfe

Notary Public.

(SEAL)

August 12, 1976

Jakie Hieb and Associates  
200 West Main Avenue  
Suite 4 P.O. Box N  
Bismark, ND 58501

Dear Mr. Hieb:

I acknowledge receipt of your letter dated August 3, 1976, in which you enclosed check No. 313, in the sum of \$500.00, payable to Northwestern Metal Company, as rent under the terms of the lease entered into on the first day of April, 1974, wherein, Northwestern Metal Company is the lessor and Jakie Hieb is the lessee, in which the following real estate is described:

Those certain premises designated by the Surveyor General as Lot #1134 containing 119.299 acres of land more or less located in the Bear Butte mining district, meets and bounds description thereof being embraced in the United States patent therefore of record in Book 146, pages 530-546 inclusive of the Register of Deeds office of Lawrence County, State of South Dakota, which record description is made a part hereof by reference thereto.

Northwestern Metal Company has instructed me to return this check to you for the reason that they have terminated and canceled the lease above described and have taken possession of the premises as provided in the lease by reason of your various defaults.

You did not pay the rent when it became due April 1, 1976. You did not pay the taxes and interest accrued. You did not

Default Letter

Jakie Hieb and Associates  
August 12, 1976  
Page 2

furnish the lessor copies of liability and compensation policies with the lessors name as an additional insured.

If you have any personal property on the premises that you want to remove, please do so at once.

Very truly yours,

Louis B. Finkelstein

LBF:skm

cc: Northwestern Metal Co.



# JAKIE HIEB and ASSOCIATES

BUSINESS CONSULTANTS  
CORPORATE FORMATIONS  
CORPORATE ACQUISITIONS  
FRANCHISING

200 West Main Ave., Suite 4, P. O. Box N, Bismarck, North Dakota 58501

Telephone: 701 - 223-5501

If no answer call: 208 - 734-5504

August 15, 1976

Mr. Louis B. Finkelstein  
Attorney at Law  
Suite 809  
The Lincoln Benefit Life Building  
Lincoln, Nebraska 68503

Dear Mr. Finkelstein:

This is in reply to your letter of August 12 with which you returned my lease payment check and advised that Northwestern Metal Company has chosen to cancel the lease on the Branch Point claim. I would like to request that you reconsider this action and accept the lease payment, which I am herewith returning to you, and that you advise me as to the amount of the taxes, on receipt of which information I would immediately make payment.

Beginning shortly prior to receipt of your July 6 letter it was extremely difficult for my accountant and other associates to keep in touch with me. When your letter was read to me, about a week after you wrote it, I asked my accountant, Virgil C. Luyben, to find out the amount of the taxes so that I could pay both the lease and taxes in one check. In his letter to you of July 14 he requested the tax information.

On July 20 Mr. Luyben wrote to you again, this time asking for a copy of the lease, with the thought that he would set up for future use a schedule of all periodic payments so that he could give me reminders. Under date of July 26 he wrote to you again about his concern that I was not reachable and he wanted to know the amount of the lease payment so that he could pay it for me in my absence.

When I was finally able to see Mr. Luyben on my return to Bismarck, I sent you the \$500 check for the lease payment but still did not know the amount of the taxes. In the meantime no reply had been received from you to any of the responses to your letter. I am enclosing copies of those responses.

One of the items set forth in your letter as a default was the assertion that the lessor was not furnished with copies of the liability and compensation policies. A copy of such policy furnished by Anderson Insurance Agency of Rapid City was furnished to you, showing coverage for the period in which operations were carried on and showing lessor as an additional insured party. It was not deemed necessary to have such coverage during the time since then when there have been no operations.

Funding arrangements for the operation of our mining properties in that area have reached an advanced state of negotiation, and even now must be held up pending the outcome of this correspondence. These arrangements will completely collapse if this lease should be lost.

Finkelstein . . . . . from Hieb (Cont.)

Page 2

I trust that you will see fit to accept this lease payment and advise us as to the taxes owing.

Sincerely yours,

*Jakie Hieb*  
Jakie Hieb

JH/vl

Enclosures:

Copies of correspondence

July 14

July 20

July 26

L E A S E

*C.H. Hieb* This indenture made and entered into this 15 day of ~~March~~ April, 1974, by and between Northwestern Metal Company, a corporation with its principal place of business in the City of Lincoln, Nebraska, whose mailing address is P.O. Box 81826, Lincoln, Nebraska 68501, Party of the First Part and hereinafter also known and referred to as "Lessor" and Jakie Hieb with his principal place of business in the City of Bismarck, North Dakota, whose mailing address is P.O. Box N, Bismarck, North Dakota 58501, Party of the Second Part and hereinafter also known and referred to as "Lessee",

WITNESSETH:

1. In consideration of the mutual promises and agreements hereinafter set forth, Lessor hereby leases to said Lessee and Lessee rents from the Lessor the following described premises:

Those certain premises designated by the Surveyor General as Lot #1134 containing 119.299 acres of land more or less located in the Bear Butte mining district, meets and bounds description thereof being embraced in the United States patent therefore of record in Book 146, pages 530-546 inclusive of the Register of Deeds office of Lawrence County, State of South Dakota, which record description is made a part hereof by reference thereto.

2. Lessee is herewith given the right to use said premises for exploring and mining all ores and minerals in the above premises subject to all state and federal laws and for no other purpose.

3. It is further agreed that the Lessee shall indemnify and hold the Lessor harmless at all times during the term of the Lease and after the termination thereof from and against all claims, demands, suits, judgments, damages, expenses and liabilities including claims for injuries or death to any person or persons or damage to property resulting from or arising in any manner out of or in connection with Lessee's occupation of and operations or activities upon the property.

4. It is further expressly agreed that the Lessor reserves for itself all timber grown on said premises and said Lessor reserves an easement for itself and its agents to enter upon the land above demised for the purpose of cutting and removing said timber from the premises and for all inspection purposes. The Lessor does reserve one or more roadways over said premises to enable the Lessor or its agents to remove timber from the premises.

Jack Hieb Lease

5. The Lessee agrees to carry and pay for liability insurance in an insurance company approved by Lessor and in an amount to be approved by the Lessor to protect and indemnify the Lessor from any claims, actions, law suits or judgments by reason of any injuries or death to any person or damages to any property which in any way may arise or claimed to arise by reason of occupation or the operations carried on by the Lessee upon said premises. The Lessor, Northwestern Metal Company, shall be named as an additional insured in all said insurance policies.

6. Lessee expressly covenants and agrees that he will keep the said property and each portion thereof free and clear of all miners', mechanics', workmans', material and all other liens, indebtedness, claims and demands. Lessee will keep posted upon said property proper notices required by the statutes of the State of South Dakota or by any other authoratative body advising his employees and all materialmen that Lessee alone is responsible for all debts, charges and costs including labor and material in connection with the operations, development and management of said property leased during the term of this Lease.

7. It is agreed that at the termination of this Lease, Lessee will quit and surrender up full and peaceable possession of said premises to Lessor, free and clear of any and all liens, claims or encumbrances whatsoever done or suffered to be done by Lessee or any one claiming by, through or under him. The Lessee further agrees to carry and pay for compensation insurance for all employees doing any work for Lessee in relation to this Lease and to fully comply with the South Dakota Workmen's Compensation Law with reference to his employees and operations hereunder. It is agreed that the Lessee will pay for all labor and for all material furnished to and for any improvements or repair of and on the premises. However, no improvements shall be made on the premises without the written consent of Lessor.

*cash* 8. In consideration of the rights granted herein to the Lessee by the Lessor, the Lessee agrees to pay to the Lessor at its place of business in Lincoln, Nebraska, rent for said premises a royalty of ten per cent of all ore mined to be computed on Net Smelter Returns of the mining operations but said rent shall not be less than \$500.00 annually even if Lessee received no ore. The first annual payment shall be made on or before the 15th day of November, 1974, and subsequent annual payments shall be made on or before the 15th day of November each year thereafter up to and including the 15th day of November, 1977. In addition to the payment of rent above provided for, the Lessee agrees to pay to the Lessor as additional rent an amount equal to all of the taxes and assessments including special assessments that will be assessed and levied by any state, federal or municipal governmental agency or any of its subdivisions or by any taxing district or organization as against the Lessee for the year beginning November 15, 1975, and each year thereafter up to and including the 15th of November, 1977. The

*1975 1976 1977*

amount of the taxes each year and all special and regular assessments levied upon the above described premises shall be paid by the Lessee to the Lessor not later than 30 days prior to the time that said taxes and assessments shall become delinquent.

9. This Lease shall continue for a period of five (5) years and shall begin on the 15th day of November, 1977, and continue up to and including the 14th day of November, 1982, unless sooner terminated by a breach by Lessee, by agreement of the parties or by operation of law.

10. It is further agreed that if the Lessee shall fail to make any one payment as above set forth for rent, royalty, or taxes and the tax on his own equipment, time being of the essence or if the Lessee shall fail to keep and perform any one or more of the provisions which the Lessee agrees to keep and perform in this Lease, the Lessor may at its option and without notice, terminate this Lease and may without further notice or permission of the law, enter upon and take possession of said premises without any hindrance by said Lessee, his heirs, executors, administrators or assigns and said Lessor may have quiet and peaceful possession of said premises.

11. It is further agreed that any taxes, assessments, general, special, ordinary and extraordinary that may be levied or assessed upon ore and concentrates produced therefrom shall be paid by the Lessee.

12. If at any time Northwestern shall own an interest in the premises less than the entire and undivided mineral fee estate therein, then the royalty and advance royalty herein provided for shall be paid Northwestern only in the proportion which its interest bears to the whole and undivided mineral fee estate, provided, however, in the event that title to any interest in said mineral fee estate shall revert to or be acquired by Northwestern, this Lease shall cover such reverted or acquired interests, and thereafter the royalty and advance royalty herein provided for shall be appropriately increased at the time of the next payment thereof required hereunder, provided that thirty (30) days written notice of such reversion or acquisition is given by Northwestern to Jackie Hieb.

13. Either party may assign or sublet, in whole or in part, such party's interest hereunder; and in the event of any such assignment or sublease, the assignee or sublessee shall become liable to the Lessor for the full performance of all of the provisions of the lease undertaken by the Lessee. The terms, provisions, covenants, conditions, rights, privileges and obligations hereof shall extend to, be binding upon and inure to the benefit of the respective assignees or sublessees. Jackie Hieb, Lessee, shall remain liable for all obligations to Northwestern of his assignee or sublessee unless otherwise released by Northwestern.

14. Northwestern or its duly authorized representatives shall have the right at all reasonable times to enter into and upon the premises and the workings thereon for the purpose of

cutting and removing timber, for examining and inspecting the same, and ascertaining whether the terms and conditions of this agreement are being carried out and performed by Lessee; and Northwestern or its duly authorized representatives shall have access at all reasonable times to Lessee's records of production, exploration and drilling, and such other records as will show compliance by Lessee with the provisions of this Lease.

15. Northwestern hereby believes that it is the owner of the title to the premises, but does not warrant the title and leases in this instrument only the interest that Northwestern has in the above described property. It is understood and agreed that, in the event Northwestern's title to the premises shall fail, Northwestern shall not be liable to Lessee for expenditures made by Lessee for mine development and plant or for damages of any kind. Lessor will perform this Lease in accordance with applicable federal and state laws, rules and regulations of any governmental agency having jurisdiction in this matter.

16. Northwestern hereby agrees that Lessee shall make all payments under this Lease to Northwestern at the address set forth above, or at such other address as may from time to time be given by notice hereunder.

17. All notices required or permitted in this Lease which are not expressly governed by other provisions may be given by registered or certified mail, deposited in the United States Mails, with sufficient postage prepaid thereon, addressed to the parties at the addresses set forth above or at such other address as may from time to time be given by notice hereunder. Notices shall be deemed to have been given on the date of delivery, or if mailed, on the date of mailing as shown by the post office postmark.

18. Time is of the essence of this Agreement. Lessee agrees to furnish copies of liability and compensation insurance policies and to add the Lessor on said policies as "an additional insured."

19. If during the term of this Lease, Lessor shall desire to sell the leased premises, said Lessor shall notify the Lessee of that fact and Lessee shall have the option to purchase the leased property for the same purchase price and on the same terms and conditions as is contained in the offer of purchase which the Lessor received. Within 10 days after the mailing of the notice by the Lessor to the Lessee, the Lessee shall notify the Lessor in writing that he will exercise said option and purchase the property. If the Lessee shall fail to so notify the Lessor within the time herein provided, and if after the Lessee shall have notified the Lessor that he desires to exercise said option and purchase the premises the Lessee fails to consummate the purchase and sale transaction within 60 days from the date that the Lessor sends the notice

to the Lessee that Lessor desires to sell the leased premises, then this option shall be null and void and of no force and effect and the Lessor without further notice to the Lessee may sell the leased premises to any other party under any condition and provision. It is further expressly agreed that this option shall terminate and be of no force and effect if this Lease is terminated by the Lessor or Lessee for any reason whatsoever.

20. If the Lessee shall promptly and fully perform all the obligations it agrees to perform in this Lease, time being of the essence, then the Lessee is given an option to renew this Lease for an additional period of five (5) years from and after November 15, 1978, under the same terms and conditions. If the Lessee shall desire to exercise this option and renew this Lease, Lessee shall give to Lessor notice of that fact not less than ninety (90) days prior to the termination of this Lease as herein provided. If Lessee shall fail to give such written notice at the time provided herein, then this option to renew this Lease shall become null and void and of no force and effect.

21. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, devisees, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the Parties have executed this instrument as of the day and year first above written.

Attest:

NORTHWESTERN METAL COMPANY, Lessor

Cecelia Hill  
Secretary

By

Gay Hill  
President

Jaki Hill  
Lessee

September 5, 1974

Mr. Major Seery  
Cyprus Mines Corporation  
555 South Flower Street  
Los Angeles, California 90071

Dear Mr. Seery:

Enclosed at long last is a copy of the new Agreement prepared for execution in connection with the Gilt Edge prospect held by Commonwealth Mining Company.

Since your attorneys had reviewed the "old" agreement and inasmuch as the changes in the "new" one were so inconsequential, I took the liberty of forwarding the Agreement to Commonwealth without first sending a copy of the draft to you.

We are presently attempting to get some information on Jack Hieb, the party who obtained the lease on the Northwestern Metal Co. properties and will pass along any information we obtain.

Very truly yours,

Walter I. Auran

WIA:jr

Enclosure

6.11 F 840

LAW OFFICES OF

PRINGLE & HERIGSTAD, P.C.

OF  
TEC  
WLB

KENNETH G. PRINGLE  
ROGER O. HERIGSTAD  
HERBERT L. MESCHKE  
LEROY A. LODER  
MITCHELL H. MAHONEY  
MARR F. PURDY  
THOMAS A. WENTZ  
JAN M. SEBBY  
RICHARD P. OLSON

SECOND FLOOR  
AMERICAN STATE BANK BLDG.

MAILING ADDRESS  
BOX 1000  
MINOT, NORTH DAKOTA 58701

TELEPHONE  
(701) 838-0381

September 10, 1974

Mr. Walter Auran  
Suite 1010 - 1776 Lincoln Street  
Denver, Colorado

Jackie Hieb  
(701) 223-7273  
702 N. 23rd St.

Re: Cogdon and Carey - Jack Hieb, P.O. Box N., Bismarck, ND

Dear Walt:

Following your telephone call of September 9th, we called Rod Mather of the Fleck firm in Bismarck to see if he had heard of Mr. Hieb. The Fleck firm does most of the oil work in Bismarck. He said he has a faint recollection of meeting a man whose first name was "Jakie" Hieb sometime ago but does not know what business he was in or where he is now located. He does not recall him being known as Jack Hieb. He checked with other members of his firm and they did not know Mr. Hieb either.

We next called two oil and mineral brokers in Minot by the name of Mr. Borstad and Mr. Traver and they had never heard of Mr. Hieb either. They have both been in business in North Dakota and the surrounding states for many years.

Our final call was to Mr. A. C. Golden in Bismarck who has extensive mineral and oil holdings in the Northwest. He too said that he had never heard of Jack Hieb.

I don't know where else to go in an attempt to obtain information on this individual. He must be a small time operator or else he maintains his residence in another state and merely has a post office box in Bismarck.

I am sorry we could not be of more help. I am enclosing our statement for the costs incurred and the services rendered in attempting to obtain this information for you.

Best regards,

*Mitch*  
Mitchell Mahoney  
amh  
Enc

September 13, 1974

Mr. Major Seery  
Cyprus Mines  
555 South Flower Street  
Los Angeles, California 90071

Dear Mr. Seery:

Enclosed is a copy of letter we received today from Mr. Parker, attorney for Commonwealth Mining Co. In view of his comments, we expect to have a signed agreement shortly.

We are working on the Northwest Metal Co. problem and expect to make an initial contact with Mr. Hieb next week. Our preliminary investigation indicates that he may be a promoter rather than a developer of mining properties. Thus it may be possible to make some sort of deal with him. We will of course keep you advised of our progress.

Very truly yours,



Walter I. Auran

WIA:jr

Enclosure

September 17, 1974

Mr. Jakie Hieb  
702 North 23rd Street  
Bismarck, North Dakota

Dear Mr. Hieb:

Some years ago our company engaged in an extensive exploration program on the property in Lawrence County, South Dakota we termed the "Gilt Edge". It was composed mainly of the properties of Commonwealth Mining Company and the adjoining ground owned by Northwestern Metal Co. (M.S. 1134) on which we understand you are now the lessee.

We have reinstituted our lease with Commonwealth and would be interested in again putting these properties together. Our earlier studies have shown that the properties cover one geologic entity and together would have a better chance of forming a viable economic unit, than each separately.

I would like to discuss with you, either by letter or telephone, your possible interest in some arrangement for this property to our mutual advantage. We are prepared to instigate a significant exploration program in the spring of 1975.

Your reply will be greatly appreciated.

Very truly yours,

Dolf W. Fieldman  
Chief Geologist

DWF:jr

Cyprus Exploration Company

555 South Flower Street  
Los Angeles, California 90071  
Telephone 213) 489-3700

Cable Selmud Losangeles  
Telex 67-4601  
TWX 910) 321-2958

October 1, 1974

AIRMAIL

Mr. Walter I. Auran  
Congdon and Carey  
1010 Denver Center Building  
1776 Lincoln Street  
Denver, CO 80203

Dear Walter:

Somewhat delinquent, I am enclosing a copy of our attorney's comments on the Commonwealth lease. As you can see, we have no serious problems with it, but only some suggestions in regard to the back taxes as outlined in Paragraph 4 of his letter.

We would appreciate your keeping us up to date in your progress with Mr. Hieb regarding the Northwest Metal Company ground. I don't believe we feel this is absolutely essential to have, but we are wondering if it would be good strategy to start drilling on the Commonwealth ground before we have fully explored the possibilities for making a deal on the adjacent ground.

Very truly yours,

*M W Seery*  
M. W. Seery  
Administrative Staff Geologist

MWS/mjk

cc: J. E. Worthington

**CYPRUS**



October 24, 1974

Mr. M. W. Seery, Administrative Staff Geologist  
Cyprus Exploration Company  
555 South Flower Street  
Los Angeles, California 90071

Dear Major:

Enclosed is a copy of a letter we received today from Mr. Parker, attorney for Commonwealth Mining Company, which I believe to be self-explanatory.

We are continuing in our effort to locate Mr. Hieb concerning the Northwest Metal Company property, but so far he has ignored our phone calls and letters. He seems to travel a good deal, spending considerable time in Idaho and, accordingly, we have not yet attempted a personal visit with him in Bismarck. Hopefully we will reach him within the next couple of weeks.

Very truly yours,

Walter I. Auran

WIA:ha  
Enc/

Cyprus Mines Corporation

555 South Flower Street  
Los Angeles, California 90071  
Telephone 213) 489-3700

Cable Selmud Losangeles  
Telex 67-4601  
TWX 910) 321-2958

January 8, 1975

Mr. Walter I. Auran  
Congdon and Carey  
1010 Denver Center Building  
1776 Lincoln Street  
Denver, Colorado 80203

Dear Walter:

Enclosed are three copies each of a draft agreement and assignment for the Gilt Edge property. As I mentioned on the phone, we have injected a number of ideas that have not been discussed; there is nothing sacred about these but the draft can serve as a departure point for further discussion. On reading through it I can already see a few things that probably need changes.

I suggest that after you have had a chance to look this over, we try to get together to work out the details.

On another subject, Chuck Hutchens just got back his assays from the samples he took on Heib's ground. Outside of one high grade (3 oz.) everything else was pretty low and Chuck is currently of the opinion that the ground is of only marginal interest. Heib is definitely trying to peddle it now, but we think the best thing we can do for the present is sit back and play it cool.

Sincerely,



M. W. Seery  
Administrative Staff Geologist

MWS/mmm

Enclosures

**CYPRUS**



June 2, 1975

Mr. Gary Hill, President  
Northwestern Metal Company  
P. O. Box 1826  
Lincoln, Nebraska 68500

Dear Mr. Hill:

As you know from our past communications, we have reinstated our Lease and Option to Purchase Agreement with Commonwealth Mining Company of South Dakota covering its claims in Lawrence County, South Dakota, and have a continuing interest in obtaining a lease and option on the claims owned by your company in such county.

In visiting the Commonwealth property, it appeared to us that Jackie Heib who has an agreement on your claims at the present time may have discontinued his operations. If this is the case, and if your agreement with him has been terminated or is about to expire, we would very much appreciate the opportunity of discussing a new lease and option agreement on your claims.

We enjoyed working with your company in the past and hope that we may be able to do so again.

Sincerely,

Walter I. Auran

WIA:jr

(402) 464-0602



TBC

MEMORANDUM

DATE: March 15, 1976

TO: T. E. Congdon  
W. I. Auran

W. J. Carey  
Joe Worthington-Cyprus Mines

FROM: D. W. Fieldman

SUBJECT: Gilt Edge - Northwestern Metals Company Acreage, Mineral  
Survey Number 1134, Lawrence County, South Dakota

I talked today with Mr. Louis B. Finkelstein in Lincoln, Nebraska, the attorney who handles this matter for Mr. Gary Hill, president of Northwestern Metals Company. He is not sure whether or not the deal with Jakie Hieb is still in effect. He will check it out and reply, probably by letter.

He asked me the purpose of the call and I gave him this straight-forward answer: that we wish to reinstitute our previous deal because the data indicates that the Northwestern ground and Commonwealth ground are a geologic entity and that the main promise of the area is in a large but very, very low grade gold operation. This would be mostly on Commonwealth ground but it possibly extends into the Northwestern ground. He remembered our old deal and their satisfaction with it and our performance under it.

Now I need to refresh everyone's memory: Northwestern made a deal with Jakie Hieb for the property the effective date as close as we can learn was July 1, 1974. The payment necessary to keep the deal alive was paid by Mr. Hieb in 1975. None of us has seen the deal. It is not recorded, or was not, in 1975 in the Lawrence County courthouse. Mr. Hieb did not reply to numerous inquiries by Walter or me by letter or telephone. Nil learned that Mr. Hieb had a deal with Ray Coppo, who owns a small mill in the area, to handle this ore. Mr. Coppo and the senior Mr. Hill (Leo) now retired, were friends. Hieb had on the occasion of Nil's visit a trailer parked near the Coppo mill in which he was living.

Charles Hutchins of Cyprus finally met Mr. Hieb sometime during the 1975 drilling program. Hieb told him that he would not consider any deal with Cyprus-Congdon and Carey unless it were in six figures. The matter has been left at that point until this time.

I question the advisability of contacting Mr. Hieb until we receive a reply from Mr. Finkelstein. Even then presuming the deal with Hieb is intact it may not be advisable to contact Mr. Hieb until he does or does not renew his lease with Northwestern Metals somewhere near July 1st. He thinks he "has" us and will surely be difficult or impossible to deal with.

Memorandum  
March 15, 1976  
Page Two

- Nil will be in this area in about two weeks. At that time he will attempt to learn if Mr. Hieb and Mr. Coppo still have their venture together and if Mr. Hieb is still in the area. If he is it seems to me that we will have to make a deal with him. If so, what kind of a deal do we offer to Mr. Hieb and who does it?

If on the other hand Mr. Hieb has left the country the chances are good that he will not renew his deal with Northwestern. In this event does Cyprus wish to wait until at least July 1st for a resolution to the problem?

DWF:kcb

July 14, 1976

Mr. Louis B. Finkelstein  
Suite 809  
The Lincoln Benefit Life Building  
Lincoln, Nebraska 68508

Dear Mr. Finkelstein:

I told Mr. Hieb about your letter by long-distance telephone and he asked me to find out the amount of the 1975 taxes that are owing and he would pay this and the lease payment when he returned.

Do you have the tax statement? If it's just as easy for us to get this from the source, let us know and Mr. Hieb will pay the lease payment right away and we'll write to the county for the tax bill.

He was quite surprised to learn of your letter, as he had thought that this payment was set up in his tickler system for payments. Apparently it was just overlooked.

Sincerely yours,

JAKIE HIEB

*Virgil C. Luyben*

By Virgil C. Luyben

VCL/ms

July 26, 1976

Haven't heard and Hieb is gone and am concerned about this situation. Please tell me how much lease payment is and I'll pay it for him. I know he doesn't want the lease to lapse. Address reply to me at Box 2355, Bismarck ND 58501

*Virgil C. Luyben*

No. 10644

NOTICE: Section 57.004 South Dakota Code of 1926, as amended by Chap. 338 Laws of 1941, and Chap. 289 Session Laws 1943, provides:  
 "On the first day of May of the year after which taxes shall have been assessed, one-half of all unpaid taxes shall become delinquent and on that day and on the first day of each and every month thereafter there shall be added as interest and penalty on said delinquent tax 2 1/2%. If the other half is not paid by the first day of November of the same year that also becomes delinquent and the same penalty and interest shall attach in the same manner. ~~Unpaid taxes are advertised in December for tax sale and sold the third Monday in December. Action for tax deed may be started four years from date of sale.~~  
 Compare the descriptions on this receipt with your title papers to be sure that it is the property on which you wish to pay. In case of error, notify the County Treasurer at once.  
 Any amount of \$20.00 or under must be paid in full by April 30th.

OFFICIAL REAL ESTATE TAX NOTICE - 1976  
 TREASURER'S OFFICE, LAWRENCE COUNTY  
 Deadwood, South Dakota

| DESCRIPTION            | S or L | T or B | Rng. | Acres  | AG. VALUATION | AG. Tax | San. | Non-AG. Valuation | Non-AG. Tax | TOTAL TAX | INSTALLMENTS |        |
|------------------------|--------|--------|------|--------|---------------|---------|------|-------------------|-------------|-----------|--------------|--------|
|                        |        |        |      |        |               |         |      |                   |             |           | First        | Second |
| Maverick & Pyrite etal | 1134   |        |      | 119.20 |               |         |      | 51.90             | 338.44      | 338.8344  |              |        |

ON PROPERTY TAXED IN THE NAME OF

TAX DISTRICT

Northwestern Metal Co.

Tax Statement  
 Bring Or Send This Notice  
 With Payment.

July 20, 1976

Louis B Finkelstein  
Attorney at Law  
Suite 809  
Lincoln Benefit Life Building  
Lincoln Nebraska 68508

Dear Mr. Finkelstein:

I wonder if you would be so kind as to send me a copy of the lease that you wrote to Jackie Hieb about under date of July 6. You can send it to Mr. Hieb's address as I pick up his mail and take care of his files for him. He works out of three offices in three states, and always intends to get me a copy of his documents wherever he might have them, when I request them, but always seems to overlook it when he gets there. I believe that if I had had his lease that you wrote about, he would not have been late with his payment.

Your cooperation will be very greatly appreciated. It will help me to better keep track of Mr. Hieb's financial affairs. His address is:

Mr. Jackie Hieb  
PO Box N  
Bismarck ND 58501

Sincerely yours,

*Virgil C. Luyben*

Virgil C. Luyben  
Public Accountant  
PO Box 2355  
Bismarck ND 58501

VCL/aa

8/9/76

Palsky called re Northwestern  
Metal Co:

Yesterday (Saturday,  
approximately) Keith sent  
in his annual payroll.

Palsky wants to return  
the check by stating  
that it is late  
— the lease term's  
for failure to pay  
it on time & for  
failure to pay taxes  
as per lease.

Before doing so, he  
wants to know  
what terms we'd  
propose. I told him  
same as old deal.

He asked if we could  
raise the purchase price  
under the option by  
some reasonable amt.  
I said yes.

I would  
recommend  
it to TEC &  
thought he'd  
go along. (where we stopped under  
old lease) Again, I said yes

On that basis  
will send the  
to High way the  
of ~~deputy~~ the  
nature

Will keep  
advised. me

Hdd



June 23, 1983

John C. Miller  
Attorney at Law  
Hoy & Miller, Chartered  
Suite 201, Blohm Building  
Elko, NV 89801

Lacana Mining, Inc. - Gilt Edge Project, So. Dakota

Dear John:

Enclosed for your review are copies of correspondence and documents relating to the lease with Northwestern Metal Company covering M.S. 1134.

The correspondence indicates that the lease dated April 1, 1974 was terminated by Northwestern due to "various defaults." If further documentation is in order, perhaps one of us could contact Northwestern attorney, Mr. Louis B. Finkelstein of Lincoln, Nebraska. Obviously, since Thomas E. Congdon had no legal interest in the property at the time he was not copied on the correspondence, and his files only contained what was apparently sent to him by Northwestern after the fact.

Cordially,

  
James H. Bird, Jr.  
Sr. Land Representative

JHE:lp

Encls.

R. W. Godell (w/encl.)  
M. T. Nesbitt (w/o encls.)  
W. P. Taylor (w/o encls.)

Northwestern  
Title  
Ray Coppo

FILE

**Amoco Minerals Company**

7000 South Yosemite Street  
Post Office Box 3299  
Englewood, Colorado 80155  
303-740-5000

#100040  
"TITLE"

July 21, 1964

SUBJECT: Gilt Edge - Northwestern Metal Company

On July 15, 1964 Congdon met with Leo Hill, Vice President of Northwestern Metal Company, and a Mr. Finkelstein, attorney for that company, in Lincoln, Nebraska. The mentioned company owns Patent 1134, containing 119.2 acres in the area of interest at Gilt Edge. The company also holds Patents 1178 and 1263, containing 42.02 and 47.93 acres, respectively, southeast of the area of interest.

Northwestern Metal Company will not grant any lease with option to purchase the entire mineral interest. The company will consider any deal whereby Congdon and Carey would earn an interest in the property through exploration or lease the property on a long term basis at a low enough royalty to allow room for an overriding royalty. Because the latter is impossible to determine prior to exploration, it appears the only way of operating would be the earning of an interest.

Northwestern has owned the property for an undetermined time. The previous deal made by Yuba Consolidated was a sublease from a lessee, Ray Coppo, of the Northwestern property. Yuba dropped the lease and Coppo defaulted on his lease; so the property is now clear. Northwestern says it carried out a suit to clear title several years ago.

Northwestern Metal Company is primarily a scrap smelter, occupying a plant of more than 15,000 square feet with good modern pickup equipment in the scrap yard. The company also makes what appear to be fertilizer tanks or propane tanks in a separate steel plant. (Any relation to Billy Sol Estes?)

Hill joked about a personal uranium investment in the amount of \$25.00. When Finkelstein said a mutual friend had lost \$2,500 in uranium, Hill seemed to regard this as a significant loss. At another point Hill made the remark that perhaps an option to buy Northwestern's entire mineral interest would be alright if the consideration were \$500,000. Hill said any type of agreement with his company would call for some modest cash consideration upon execution, a relatively short term before work commitments or payments would be demanded.

I advised Hill that our geologist is working in the area this summer but I did not imply he is working on the Northwestern property exclusively. I mentioned my discussions with Merle Johnson. Hill says he has no obligation to Johnson in the way of granting him a first right of refusal on any deal. I mentioned Johnson's proposal to me of a \$50,000 loan to Commonwealth, convertible into common stock at \$.50 per share. Hill remarked that I should certainly get a 51% interest in the company for such an investment in a Moribund property.

Finkelstein indicated that he does not know much about going rates of royalty. He asked if this property would get the normal oil royalty of "8% of

Page 2

Gilt Edge cont.

production". I advised him that the normal oil royalty to the lessor is 1/8, not 8%. I went on to describe the low going rates of royalty in the mining business, specifically mentioning 3% on the Buckingham and the maximums of around 5% on proven iron ore properties requiring upgrading today. These remarks make possible consideration of our doing exploration work on the Gilt Edge ground for the sole consideration of a 3% overriding royalty which would be firmly attached to the property.

November 2, 1970

Northwestern Metal Company  
P. O. Box 1826  
Lincoln, Nebraska 68500

Attention: Mr. Gary Hill

Re: Our Gilt Edge Prospect

Gentlemen:

In accordance with Article V, subparagraph 5.1, please consider this letter as notice and evidence of our decision to release the Lease and Option to Purchase, dated November 17, 1967, be and between Northwestern Metal Company and Congdon and Carey, Ltd. No. 3. In this regard, we enclose herewith a fully executed quitclaim deed for your records.

Very truly yours,

CONGDON AND CAREY, LTD. NO. 3

By: \_\_\_\_\_

William C. Lagos  
Manager of Lands

HCI / L

| INSTRUCTIONS TO DELIVERING EMPLOYEE   |  |
|---|--|
| <input checked="" type="checkbox"/> Show to whom, date, and address where delivered | <input type="checkbox"/> Deliver ONLY to addressee   |
| (Additional charges required for these services)                                    |  |
| RECEIPT   |  |
| Received the numbered article described below.                                      |  |
| ARTICLE NO.<br>558000   | SIGNATURE OR NAME OF ADDRESSEE (Must always be filled in)<br><i>Northwestern Metal Co.</i> |
| INSURED NO.   | SIGNATURE OF ADDRESSEE'S AGENT, IF ANY<br><i>C. P. Kelly</i>                               |
| DATE DELIVERED<br>Nov 9-1970  | SHOW WHERE DELIVERED (only if requested)   |